

THE GREAT PLAN HOW TO PAY FOR THE WAR

A.E. STILWELL



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THE GREAT PLAN

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HOW TO PAY FOR THE WAR

BY

ARTHUR EDWARD STILWELL

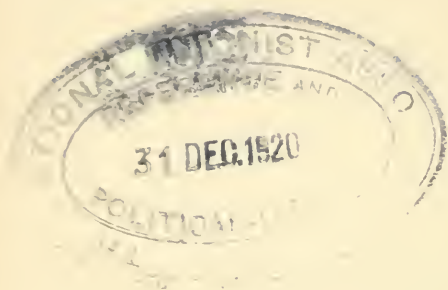
AUTHOR OF

"UNIVERSAL PEACE—WAR IS MESMERISM," "CONFIDENCE, OR NATIONAL SUICIDE,"
'CANNIBALS OF FINANCE,' "TO ALL THE WORLD" ETC.

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INTRODUCTION

THE word "Hell" is derived from the Old English *helle*, meaning "that which hides," or "that which has a wall built around it." After all these years of hell, while the progress of the world has been arrested, and the development of the great industrial institutions has been at a standstill, the question arises: "After this, what?" Shall the world suffer and groan under this consuming power of evil; shall it still continue to prepare for more evil, piling up debt upon debt, and forging new yokes for men's necks, or shall it go back to the paths of peace and progress, at once undoing the past, and giving to those who are left peaceful years to rebuild and repair the ravages of war?

race like the German race, and the author agrees with Kipling, who says that there are two races—the human race and the German race ; and it is inevitable that two such races, holding such different ideals, such different view-points, should sooner or later be forced to fight it out, until one predominates, until the human race triumphs, as it assuredly will. The world is now passing over a dark abyss, over the seemingly bottomless pit of despair, and climbing up the mountain passes to reach the heights of holiness where we can see, in the distance, life abundant and peace universal. Into this seemingly bottomless pit have been hurled eight millions of men, the flower and youth of the nations, and over their dead bodies we march onward to the promised land of peace. On our journey we shall take with us millions of maimed men, blind men, men with no arms or with no legs, or hopeless invalids ; but with love and gratitude we shall help them to bear their burdens, knowing that they

willingly offered their bodies if needed to fill the chasm leading to the other side, the long-looked-for land of peace.

In this upheaval of the last three years wonderful changes have taken place in the world. Kingdoms have been overthrown ; others are crumbling and in time will pass away. Autocratic power is doomed, and will survive only in the records of history, for it can have no place in the re-made world, which will consist of republics and limited monarchies, and in which the republics will predominate. Universal suffrage will be enforced in nearly every nation on earth, and temperance will triumph to a marvellous degree in all nations. Some feasible plan must be devised whereby the nations can carry their differences before a tribunal. By this means force of arms will gradually pass away, and all arguments will be settled as amicably as were those of Norway and Sweden. Such a tribunal, if created, must be backed up by a world organization strong enough to

enforce its decrees, and with the means to do so without resorting to military power. Otherwise its verdicts will be, if the nations choose so to regard them, mere scraps of paper. It must police the world when needful, as the streets of every civilized town are policed. It must, when needful, force peace upon nations, as an international army forced peace upon the Boxer rebels. Starvation and exhaustion, not overwhelming victories, will be the main factors in bringing the present war to an end. Life will be hell during this period, the worst hell ever known. The cost of this war will be ten times greater than the cost of all the wars of the preceding century ; and the purpose of this book is to help to point the way to the shortest cut to peace and prosperity. The author believes that the plan suggested in this book, were it given wide circulation, would force the German nation and its allies to cease hostilities at once, and make them willing to accept the benefits which would accrue from its adop-

tion. But for this war the plan proposed would have been impossible of realization, as it calls for a larger and wider view-point than the world had ever taken before this war originated. We are now at too late a date in the world's history for the triumph of the ideas and the ideals for which the Hohenzollerns stand ; and even the German nation will, in a few years, have its eyes opened to the immense damage which has been done to its reputation by those in power. The world agrees with the great Greek statesman Venizelos who says : " Kings are not responsible to God, but to their own peoples, who will keep them on the throne only so long as they bow to this principle, and are willing to give an account of their actions in this world, not in the next. If they have special accounts to settle with God, they can settle them after their death, if they reach heaven. If kings are to remain and reign after this chaos which has visited the world is over, they will do so only if they respect and meekly submit to

the will of the people over whom they reign. Kings nowadays are but the Presidents of republics who, instead of being elected for four or five years, receive their office by heredity." In this war the hopes of the future are battling with the mistakes of the past, and the future will win. There is no better way of expressing this than in the words of the great English statesman Lloyd George—

“Now we are faced with the greatest and grimmest struggle of all—liberty, equality, fraternity not amongst men but amongst nations; great, yea small; powerful, yea weak; exalted, yea humblest; Germany, yea Belgium; Austria, yea Serbia—equality, fraternity amongst peoples as well as amongst men. That is the challenge which has been thrown to us. Europe is again drenched with the blood of its bravest and best, but do not forget that these are the great successions of hallowed causes. They are the stations of the cross on the road to emancipation of mankind. Let us endure as our fathers did. Every birth is an agony, and

the new world is born out of the agony of the old world.

“My appeal to the people of this country, and, if my appeal can reach beyond it, it is this—

“That we should continue to fight for the great good of international right and international justice, so that never again shall brute force sit on the throne of justice nor barbaric strength wield the sceptre of right.”

The plan to be given in the following pages is workable and simple, and will appeal not to the Allies alone, but to the Central Powers, as their salvation. It will enable them to pay large indemnities if they are forced to do so. If this plan be adopted, wholly or in part, it will mean resurrection of the world, and from a tomb of despair will arise the greatest of triumphs: the brotherhood of man and peace upon earth, which the angels declared to the shepherds long ago. The plan here proposed brings about one hundred years of peace, by an agreement between all the nations of the earth, and

this agreement is based on a cash consideration. All such agreements as are based on cash considerations are for some reason especially binding, and the idea that they are merely "scraps of paper" is not so prevalent as in the case of agreements which involve no such consideration. The plan to be expounded in the following chapters not only purchases peace, but gives an abundant supply of new money, based on the best security ever offered, and money that will take the place of disappearing gold and silver. It gives money wherewith all the destroyed values of property are repaid in new currency. There is not enough gold and silver left for the needs of the world, or to repair the damage caused by this war. The proposed currency has behind it, to redeem it in course of time, the best Sinking Fund ever created to liquidate a debt, as the whole world stands behind the Sinking Fund. This currency will enable all the warring nations, and all the neutral nations which have been forced to mobilize their

armies, to pay off all bond issues made during the war, and at once to save all annual interest charges on such bonds. It will enable every nation to repeal all excess and income taxes caused by this war, and return to the pre-war budgets of taxation. It will save hundreds of thousands of men from applying to the Bankruptcy Courts, and will save three or four nations from national bankruptcy, which would be a serious blow to all nations. It will re-establish the securities of those nations which might be forced to repudiate all or part of their debts. It repays all national debts caused by the war, and it does this in less than eighteen months. It gives currency at once to the world to equal its lost values, and does not compel men to wait a generation or two for these values to be re-earned. It saves years of fluctuating exchanges between the nations, by making the latter proof against bankruptcy. It provides enormous sums of capital for the immediate repair of the damaged condition

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of the railroads, whose upkeep has been neglected, and whose equipment is not adequate for the proper conduct of the business of the nations. It furnishes ample money to rebuild the lost tonnage of all the nations, and this rebuilding will bring about the greatest era of prosperity which the world has ever known. And the very contrary will obtain if this plan is not adopted. It will provide labour in all the nations with the highest wages ever known, and there need be no idle folk in all the world, for progress will make such advances that there will be work for all. A marvellous industrial development, extension and reconstruction, will find a reflection in all trades and manufactures throughout the world. Men and women will again be able to afford luxuries which will be forgotten for a generation if this plan is not adopted. The stocks of industrial companies and transportation companies, owing to the enormous business which they will handle, will attain values never attained before.

There will be purchasers in the world for all that seeks a market, and the purchasers will have ample money to buy. The increased values of bonds and shares and real estate will give back to the world at least double the value that this war has destroyed. The currency created by this plan will to a great extent take the place of gold in international trade. The plan gives Germany and Austria the needed money to repair the damages which we hope they will be forced to pay to Belgium, Northern France and Serbia. Yet it does not take from Germany and Austria what they now possess, but furnishes them with a fund to pay these damages, and this in such a way that Germany and Austria will not to any great extent feel the strain of such payment, as they too will be restored to peace and prosperity, instead of rushing toward the bankruptcy which surely awaits them under any other conditions. The Sinking Fund to redeem all the bonds on which this currency is to be based, will be contributed,

as already mentioned, by practically the whole of the civilized world, and will be ample to redeem the entire issue of bonds in less than one hundred years; and yet all the blessings which will flow from this scheme when it is adopted *will cost not one farthing to any one in the world*. And not only will this plan procure these blessings without cost, but it will at the same time remove the grievous burden of the heavy taxes which are at present imposed, and will free the world from yet greater, heavier taxation to come—perhaps from the conscription of wealth which is now being discussed in some countries.

The author hopes that his readers will not be startled by some of the means by which these blessings are to be conferred on men, but will consider the blessings together with the new conditions which will be needed to make this plan workable, and reflect whether if the radical changes which must be made in the world and among nations are not worth the price. In order

to carry out this plan, for example, armies and navies must be almost wholly given up—must be used by each nation only for police duty. But are not all these blessings worth this price? And if this plan is adopted, and all the world agrees to establish a hundred years of peace, and intends that the agreement shall be carried out, is it not obvious that armies and navies will not be needed, except to the limited extent to be mentioned later?

Some of the following chapters will deal with the new conditions of warfare; we shall then explain the plan, and the various aspects under which it may be considered, and the blessings to be conferred upon the world by its adoption.

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THE GREAT PLAN

CHAPTER I

SUPPOSE

SUPPOSE for the sake of the following argument that the plan to be expounded in this book secures the national existence of each nation, with no chance of conquest to be feared for one hundred years. Suppose that the so-called "freedom of the seas" (for which the Germans clamour so insistently, and which in reality was always theirs, until this war took it from them) is guaranteed to all. Suppose that there are no neutral nations, but that all nations are allied for one great and noble purpose—Universal Peace.

Suppose, if you will, that the people of the Central Powers are really war-sick, and

that they desire peace as earnestly as the Russians now desire it ; that the Germans, Austrians, Turks and Bulgarians can see some way of stepping down, such as this plan offers them. Would they not all welcome it, and, if necessary, overthrow the military parties which now stand in the way of its adoption, and of their receiving the blessings which would flow from it ?

In such an event the reign of the military clique who brought about the war would be ended, and what the Allies have fought for would be attained. Why not help to end the war, not alone by the sword and rifle, but by disseminating the facts among these peoples, by letting them know that there is a way out ?

The Germans have done and are doing all they can to influence the troops on the hostile fronts by intrigue, by lies, and by fabricated copies of Italian newspapers, recounting how English and French soldiers have shot down Italians in Rome and Milan.

It was by such lies as these, disseminated by their well-known methods, that the Germans engineered the great retreat of the winter of 1917.

Why then do we not adopt these methods of propaganda, not indeed by spreading lies, but by letting the soldiers of the Central Powers know that were there a responsible Government in their own country, with which the other nations could negotiate, and one that desired to end the war by this plan, the Allies would meet it and negotiate with it at once. Why not test the effect which such propaganda would produce upon these people? It is worth the effort. Count Czernin is reported to have said recently to a delegation—

“For us this war is a war of defence. Our object is to conclude a peace guaranteeing the liberty, independence and territorial possessions of Austria-Hungary. We do not seek any forcible territorial annexation ; we do not aim at any economic oppression ; but we ask for effective guarantees for our

free and unhampered development in the future. These guarantees are to be found in an agreement for the progressive diminution of armaments, the liberty of the high seas, and the creation of international arbitration tribunals. We are therefore ready to conclude with our adversaries a general, equitable and honourable peace, guaranteeing the territorial integrity of the monarchy and free economic and political development in the future."

If Count Czernin is voicing the will of the majority of the people of Austria, this plan surely would meet with their approval, as it gives them all they desire, and, in addition, restores to the people of Austria, Turkey, Bulgaria, and Germany all that they have spent in this war, plus a great and wonderful prosperity, and the removal of a burden of taxation from which they do not at present see any way of escape. If the people of these lands could have the details of this plan brought home to them, they would no doubt be willing to make generous territorial concessions of territory

to Italy, were these all that stood in the way of their accepting the benefits offered.

There is nothing dishonourable in the endeavour to let this plan reach the peoples of Germany, Austria, Turkey and Bulgaria. It only suggests to them that there is some other path to peace than that which they follow by clinging to the ruling cliques who brought about the war, who brought this terrible scourge upon them and the rest of the world. It is this nefarious power which the world is now attempting to destroy. Why not then, if we can, invoke the help of the peoples of these lands in this noble endeavour to emancipate the world for ever from these evil influences? If they fail to see with our eyes, we shall merely stand where we are now.

In Russia lately, and in other countries, we have seen numbers of men of the stamp of Bolo Pasha, willing to betray their own country for thirty pieces of silver, willing and anxious to be bribed to sell their

birthright, together with that of their fellow-countrymen. The bait of money on a German hook has caught a great number of individuals in every nation. If there are everywhere large numbers willing, for the glamour of gold, to undertake such tasks, then there must be multitudes now in the Central Empires who would readily jump at the prospect of this humanitarian plan of a world peace. There is nothing in this offer humiliating or unworthy of the great nations which form the Allied group. There could be no greater crime than a propaganda which would encourage an inconclusive peace, which would allow Germany to be the victor, to retain her military power, to rest a few years, and then to begin all over again with those modern implements of war, the airship and the submarine, perfected. If this plan or one that will produce the same results cannot be accepted, it were better to fight this war through, though it may last for years and though in place of the 8,000,000

killed the death-roll should attain 20,000,000. However heavy the cost, it cannot be too great. Any endeavour of the so-called pacifists to procure a premature peace is a crime, and ought to be dealt with accordingly. What, for example, could be worse for the people of brave, heroic France, who with such patience and fortitude have borne the heaviest sufferings of this war, than to live continually under the apprehension that in fifteen or twenty years' time another Kaiser would invade their country, and at a time when they might have to stand alone. What an inheritance this would be for the coming generation ! Four-fifths of the world's nations are now allied, and it is their duty to see this war fought to a finish, unless some such plan as that hereafter proposed should make it unnecessary.

CHAPTER II

THOUGHTS ARE THINGS

ST. PAUL said : “ As a man thinketh in his own heart, so is he.” As the world thinks, so is the world. All the manifest things of life are the product of the thoughts behind the things manifested. Life is like a great screen on which a cinematograph picture is projected, and it is useless to seek, with any cleansing fluid or soap, to remove the picture from the screen, so long as the film is in place and the light burning. You can remove the picture only by removing the film or turning out the light. So with all manifestations of human experience ; there are only two ways to change conditions : either to change man’s thoughts, or to stop him from thinking, which is not possible.

As one picture on the cinematograph film

can be seen by thousands, so can one thought of a person in power be reflected by the lives of millions, as the war-thoughts of the Kaiser have been reflected by the entire world, the result being this present hell. Had he not always thought in terms of war and conquest, we should now be at peace. No one else possessed of great power had a war-thought in his mind. We should shun any one with such a disordered mind, as we should shun a person suffering from the plague. Such a person ought to be isolated—removed from contact with others as promptly as possible. The important thing from this time forward will be to avoid any person or group of persons who talk war, just as you would avoid any person who carried a most deadly contagion. Such persons must be put under restraint and isolated, or the war-microbe will spread and contaminate a whole nation or nations, as it contaminated Germany ; and now that she is contaminated it will require all the forces of the world and all the finances of

Christendom to overthrow her, and to make the world again a fit place to live in.

Nearly all readers of this book will admit 90 per cent. of the peoples of the world desire peace; that they have no wish forcibly to rob any person of his possessions, or any nation of its corporate existence; they look on all the diabolical deeds of the Germans in this war with unmitigated horror; their desire is to relieve suffering and to uplift mankind. They will devote millions to relieve famine, to stamp out disease, to educate the peoples of distant lands.

Thoughts are things. Why cannot this desire of men for peace be satisfied throughout the world? The answer is that there is no organized force to do it or to attend to its being done. The writer of a book or the composer of music has the machinery of the copyright laws to protect him; the inventor of some wonderful instrument has his thoughts embodied in the thing brought forth, which may be protected under the

international patent laws. But while nearly the whole world desires peace, there is no organization on earth to bring it about, and no machinery existing to further this desire of the majority of mankind. Each nation has in the Cabinet a Secretary for War and a Secretary of the Navy ; none has a Secretary of Peace to represent the wish and will of the majority of the people, and to realize and maintain this wish. Peace must be an international arrangement, just as the Copyright laws and the Patent laws are international arrangements, and it must be enforced just as other desires and claims of men are enforced. It is the most important of all. All controversy and all propaganda that would tend to break this desired peace must be repressed, so that the wish of men may be realized and universal peace prevail.

Perhaps the greatest of all hallucinations is that the size of a nation brings prosperity. Germany conquered France in 1870, but to-day French bonds command higher prices and lower rates of interest than those of

Germany ; and merchants and manufacturers in France have been able, for more than twenty years, to get from their banks more favourable rates than Germans can get from theirs. In Holland, Belgium, and Switzerland the people are richer, *per capita*, than the people of Germany ; and, further, they are free from the strain of the upkeep of such enormous armies and navies. Had Germany been a hundred miles from the sea she would have needed no navy to protect her, while at the same time her products would have reached the markets of the world, just as do those of Switzerland, and her people would have been free from the machinations of the great Navy League, which was for ever preaching war and preparing and inflaming public opinion with a view to the present *débâcle*.

The size of a nation does not ensure proportionate prosperity, nor do its armies and navies. The man who can sell his chickens for 1s. 6d. does better than the man who gets only 1s. The former may

live in a country where there are only 10,000,000 hens, while the latter may live where there are 110,000,000. The number of hens in his country does not help him towards obtaining a good price. Canada is part of the British Empire, yet England does not control it in any way ; she has practically not one word to say in its government ; and she receives no benefit in the way of trade or money that Germany, Belgium, Switzerland or the United States does not receive. When a German salesman in South America makes a cheaper price than his competitor, gives better terms, or packs the goods as the purchaser desires, he gets the order. The fact that England has the largest navy, or that the population of Germany is twice that of the former country, does not deter the purchaser from giving the order to a German firm. These points simply do not enter his mind, and hence we see that all the world is, for practical purposes, a colony for any nation that has the skill and ability to secure

the trade that is going. War does not in any way, even if it adds ten millions to the population of the conquering nation, assist in the conditions enumerated above. Eighteen years ago Spain lost all her colonies, yet since this loss she has been more prosperous than when she possessed them. As another instance, the average Hollander is twice as wealthy as his neighbour in Germany ; yet if Holland could to-morrow acquire Belgium, this *coup* would not put another sixpence in the pocket of the Hollander. Rather it would take sixpence out, since he would be forced to contribute to the upkeep of a navy and a standing army, lest his neighbours rob him of his new property.

The most awful example of the power of wrong thinking is the evidence we have of the German turned from the peaceful path of industry and honour by forty years of war propaganda and the preaching of the right of might—taught to disregard all contracts and agreements if by doing so he can aid

his nation. No more devilish propaganda has been promulgated since the world began, nor any that has produced such horrible effects. But from these effects the German nation will in the end suffer most.

The demand for Peace and Universal Democracy must not be confused with any other issue; it must be fought out alone. Other reforms can be taken up later. One great reform is sufficient for this occasion, and when people have learned how united action can produce the desired results it will be time enough to take up others, such as the problems of food control, etc., which will be needed in the reborn world that is to be.

CHAPTER III

THE PLAN AND EVOLUTION

THE plan here outlined, which is to unite all the nations of the earth in an endeavour to secure and maintain peace, is in the line of evolution. That union for these ends will come sooner or later is as certain as that the sun will rise to-morrow. All we need pray for is that its coming may be hastened, and the author's devout prayer is that the proposals here set forth may prove to be as the leaven which a woman took and hid in three measures of meal until it leavened the whole. He hopes that the two halves of the world now at war will be united in the attempt to reach the supreme objective—Universal Peace. The reasons for the war are aptly stated in Mr. James W. Gerard's book, *My Four Years in Germany*. In the last chapter he says—

“Is it not a shame that the world should have been so disturbed ; that peaceful men are compelled to lie out in the mud and filth in the depths of raw winter, shot at and stormed at and shelled, waiting for a chance to murder some other inoffensive fellow-creature ? Why must people in old Poland die of hunger, not finding dogs enough to eat in the streets of Lemberg ? The long lines of broken peasants in Serbia and in Roumania ; the populations of Northern France torn from their homes to work as slaves for the Germans ; the poor prisoners of war starving in their huts or working in factories and mines ; the cries of the old and the children wounded by bombs from Zeppelins ; the wails of the mothers for their sons ; the very rustling of the air as the souls of the ten million dead sweep to another world—why must all these horrors come upon a fair green earth where we believed that love and help and friendship, genius and science and commerce and religion and civilization once ruled ?

“It is because in the dark, cold northern plains of Germany there exists an autocracy, deceiving a great people, poisoning their minds from one generation to another, and

preaching the virtue and necessity of war. And until that autocracy is either wiped out or made powerless there can be no peace on earth."

Now at least 90 per cent. of the German people in the United States see the mistakes being made by the Fatherland, see it no doubt as plainly as most of us do. They are disillusioned, and in all probability, if freedom of Press and speech were allowed in Germany, we should find that half of the German nation is disillusioned also. As President Lincoln's apt dictum put it: "You can fool all the people part of the time, and part of the people all the time, but you cannot fool all the people all the time." The author believes that for a majority of the German people the time for being fooled has gone by. The following extracts from the *Daily Telegraph* of citations from the Austrian Press show how the veil is lifting there—

"In Austria the various nationalities are opposed to each other, and in Hungary

there is an open conflict between the Government parties and those in opposition. The censorship at Budapest is permitting open attacks on the Government and the Constitution, which were impossible two years ago. Revolution is everywhere brooding, not violent armed revolt, but an intellectual rebellion, which is feared even more than physical resistance. The following is an extract from a leader published by the *Magarorszag*, of Budapest, making a terrific onslaught on the Prussian militarists and the Austro-German autocracy—

“ ‘Theories of violence rule over certain countries, and their peoples are deceived by fictitious constitutions. These countries are controlled exclusively by a prejudiced military caste, which mutilates every noble institution. These baneful growths must be eradicated. They have placed Europe in distress, and the longer the struggle continues the more radical must be the transformation. We still hear a death-rattle incitement to fighting, orders forcing us to murder, raving and violent stupidity seeking to drown ideas of peace, and humiliating human nature and intelligence. All this we owe to Prussian militarism.’ ”

“The paper goes on in the same strain for another column. On the other hand, Count Karolyi, in a public speech, attacked Austro-Hungarian diplomacy as responsible for the war. He was, it may be remembered, travelling on a political mission in July 1914, and was on a steamer coming from America when war was declared. After some detention he was allowed to return to Hungary. He said in his speech at Czegled—

““Long before this universal war, during the Balkan campaign, I severely criticized the administration of our foreign affairs, because I saw that we cannot acquire friends by such a policy. It was not independent and of no consequence in the Triple Alliance. I saw the danger. We were sitting on a powder mine that could explode at any moment. I decided to bring about a *rapprochement* between France and Austro-Hungary, and with what hopes did I not start to America? I was able to undertake the task with good hope and confidence, having seen that my negotiations with the French politicians and financiers in Paris met with appreciation and sympathy. Whilst I was on this mission of peace the

lunatics of Vienna and Berlin plunged the world into this war, and I was accused of treason against my country by Tisza's partisans and their Press, which was hired for inciting to war. My crime was that I denounced the policy of our Government, both before and during the war. We must do all in our power to bring it to a speedy conclusion. The question is, who can act as intermediary? The Holy Father might do much in the direction of peace mediation, but only the Great Powers themselves can discuss it with success.'

"This remarkable speech, delivered in a public political assembly, is now printed in full in the Budapest papers, and shows that Prussian militarism is beginning to receive heavy blows from the Magyars, from whom such an attack was least expected."

The evolution of human understanding means the perception of new truths, which are put into practice, deliberately or involuntarily. Slowly through the centuries the world has been advancing to the point at which the plan hereafter described can be put in operation. Ages ago only small

tribes existed ; then larger tribes combined as nations, for mutual protection, and from these small agglomerations came the great nations. Later came the colonizing power of the English to bring peace to the world—the growth of the United States and the suppression of the warring Indian tribes. On marched civilization, aided by steam, electricity ; the postal service, the telegraph cable and wireless telegraphy, uniting ideas and ideals until it had nearly arrived at the point where Universal Peace was an established fact. We were soon to have peace upon earth and good will toward men. Nothing stood in the way but the German autocracy, deceiving the people, thirsting for world power, and the Russian autocracy, content with its autocratic power. The latter has now passed, for all time, let us hope ; only the former remains to be crushed. And it must be crushed, with such sledge-hammer blows that it will be shattered for all time. This war is part of the evolutionary process—the world is at

war with those that stand in its way. Men like Heinrich Treitschke are but the spirit of the Stone Age reincarnated. He says : "The German soldier who slaughters a Slav spreads Germanism more efficaciously than the most gifted intellect of a political writer." The innumerable instances of German intrigue in all countries show that there are still many Germans of this type to be dealt with. But dealt with they will be ; for nothing can now withstand the onrush of civilization. It is imperative that the whole nest of these vipers be extirpated.

The fact that on December 1, 1917—the day on which this chapter was written—the Germans held all the territory which they had taken, excepting a section as large as an English county, which has been regained by the Allies, proved to those Germans who looked at the map that in Europe they had won the war. So they have, if the square mileage of occupied European territory be the measure of success. But Napoleon occupied a larger extent of terri-

tory in Russia than the Germans hold now, yet this did not prevent him from ending his days in lonely exile. Wrong may seem to triumph, but its day is short ; Alsace and Lorraine will revert to France. The gold Germany won by their excursion in 1870 will be lost, and billions more with it. "The mills of God grind slowly, but they grind exceeding small." The evolution of the war machine has brought it to such a pitch of perfection that it is now nearly unworkable. Forts have become obsolete in this war ; next year warships will give place to airships, and, as already stated, the back will be the front. All nature is working to make war implements unworkable, and if man only will see things as they are, and accept Nature's verdict, the world will be lifted to grander heights, and into an atmosphere in which men like the Kaiser will not exist. In all commercial, literary and artistic pursuits the world will make tremendous strides. War will be a matter for the records of history alone.

CHAPTER IV

THE COST OF WAR

In the Franco-German War of 1870 there were, in both armies, just over 1,700,000 men. The mortality lists in both armies were about 300,000 killed, or about 19 per cent., which takes no account of the number that died from wounds and exposure, in a period of, say, six months, so it is safe to say the mortality was 20 per cent.

How different is this war from all others ! The war of 1870 was decided within a few weeks, excepting the siege of Paris, where hunger was as great a factor as shot and shell. Again, it was fought entirely on land ; further, the implements of war then in use were by no means as destructive as those now employed. There were no dirigibles, no aeroplanes, no "75's" ; and

the Krupp guns were very inferior to those of to-day. We must take into consideration the great loss of life among non-combatants inflicted by Germany, according to her gospel of frightfulness, and also the casualties incident on sea engagements and the destruction of the merchant marine, and the deaths from hunger and from suicide among women no longer able to bear the strain imposed upon them. To err on the safe side, we will assume that there are now, in the contending armies, and engaged in work upon or behind the battlefield 35,000,000 persons, men and women.

General Smuts gives the death-roll as 8,000,000. James W. Gerard gives it as 10,000,000. We will take the lower figure for our comparisons. The men engaged in all wars since 1793 numbered only 18,500,000, and the total mortality among them was 5,500,000. This makes the death-roll of the present war 2,500,000 more than the total mortality of all wars for the last 115 years.

- 400 MILLION YEARS OF LIFE

Grant that the average age of the 8,000,000 killed, or dead from exposure and disease, was 30 years. The expectation of life at that age, according to the mortality tables issued by the insurance companies, is another 35 years. Calculating on this basis, we have 220 million years of life that have been taken from the world, leaving out of account the other 2,000,000 whose lives will probably be shortened by the privations of campaigning. Altogether, we may say that the tax on years of human life will amount, all told, to 400 million years, wrested from the lives of young and vigorous men who have been forced, or have volunteered, to help to rid the world of the bondage of Prussianism and Nietzscheism. If these dead could speak and tell of their sufferings through the long days in the trenches, from exposure, hunger and injuries, what an awful indictment their stories would be of those

who engineered this unnecessary war ! And what an unpayable debt we owe to those that have given up their lives in this battle for freedom, that we living may live in peace in the future ! What a debt we owe to the dear ones left by those that have died, to those that yet live but are unable to work ! And that we may do our utmost to pay this debt in future years, The Great Plan is offered as the best way to do it. And it will as no other plan can unless it imposes untold burdens on the living, in all lands. The fact that the nations now at war were considering the adoption of it would have a great effect for good on those now in the field ; no more powerful stimulate could be offered than the hopes that The Great Plan might be adopted by the world, to be followed as it would by each nation having in its Treasury ample money to pay this debt to the wards of each nation, and with the generosity which the fund this plan provides would enable each nation to exercise in this matter,

THE AWFUL COST

This war has cost to date at least 25,000 million pounds sterling, or 125 billion dollars, to the warring nations, without taking into account the destruction of property, and the cost of mobilization to countries such as Holland, Norway, Sweden, Switzerland, Spain, etc. The total cost of all the wars of the world from 1861 to 1914 was 11,000 million dollars, or a little over 2000 million pounds. The total cost of all wars since 1793 was 26 billion dollars, or over £5,000,000,000. Think of it, Reader: this war costs as much in seven or eight months as all wars have cost for the last 115 years! then you will see more readily the need of some plan to lift this heavy financial burden from mankind.

Before this war began, the nations of the world were spending, approximately, 70 per cent. of all their income on war preparations and pensions, and on the upkeep of army and navy. While we are considering

these figures, we must remember also the staggering sum which all nations now at war will be forced to pay for pensions when the war is finished. Only a plan such as that about to be explained can provide the funds to do this.

Is it any wonder, then, that women desire and demand the franchise? In the light of these statistics, this man-ruled world is clearly a gigantic failure.

In the United States the percentage is a little higher; it works out at 72 per cent. A large proportion of this sum is due to the higher rate of pensions paid by the Government; but the whole expenditure is connected with war—either with wars past or with wars to come. Only 28 per cent. of the total income is used for the benefit of the living and the demands of the present.

The cost of this war would line both sides of a road 250,000 miles long with homes each costing \$2500 (£500) and each occupying 50 feet of frontage—a

line of homes going ten times round the earth.

If war is to continue, then, as weapons of war increase in their frightfulness, so will the machines for combating these weapons develop ; and, unless the portentous dynasty of Hohenzollern be overthrown and extinguished, and the democracy of Germany replace it, the contest of 1930 or 1935 will be the bloodiest that the mind of man can conceive. The horrors and cost of the present conflict will fade into insignificance in comparison. *And only this plan can prevent its coming.*

The total expenses of all the world's Governments for 1913 was 2500 million pounds. The cost of this war is ten times as great as the expenses of all the world's Governments for 1913.

The total gold and silver coinage of the world, before the war, was about 10,000 million dollars or 2000 million pounds. The cost of this war is thirteen times this amount.

The cost of this war is nearly three times as great as all the National Debts of the world before 1914.

The cost of this war to date is equal to the combined wealth of France and Germany.

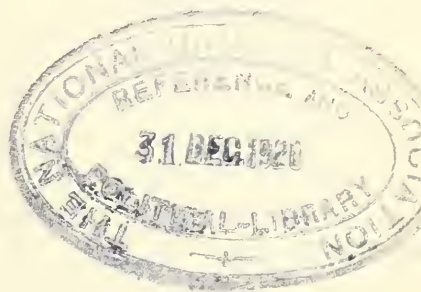
The market value of all listed Stocks and Bonds in all the Exchanges of the entire world was less than the cost of this war to date.

The capital of all the National Banks of the United States would have to be multiplied by 130 to pay the cost of this war.

The total value of all the fishing products of the world for one year would pay the expenses of this war for about twelve days.

This great cost, which the above figures illustrate, falls on all nations, but on none more heavily than those of the Central Powers. And the control of Russia by these Powers does not lift this burden; it still remains, and can only be removed by the adoption of The Great Plan. It is far better for the Central Powers to restore

all lands to their rightful owners, and have the benefits of the blessings that will come from the world adopting The Great Plan, than it will be if they double their territory and stagger under this debt-burden for generations.



CHAPTER V

NEW CONDITIONS

Two important facts are being proven in this war. First—that with forty years of preparedness Germany has found that war as a means of conquest is a failure. Second—that nations as unprepared as the Allies were can, by modern war methods and war implements, prevent the advance of the armies that desire conquest, and to date all the well-laid plans of the Central Powers on the Western Front have been more or less of a failure ; in fact, the only victories that have been achieved of late have been due to the liberal use of German money through their trusted agents in Russia. Yet it is safe to say that there is not in all the world five persons having enough power to bring about war desire to

do so. All other great Powers in the world desire peace, and this war having proven the utter hopelessness of war being a success with modern methods will, in time, cure the German people of their desire for war or to be considered a warlike nation. The prestige and power that they had in the world is gone—a thing of the past—and when you add to this the enormous cost of this war, which to Germany alone will require a 60 per cent. income-tax to take care of their war debts, the hopelessness of war will exert great influence with Germany and its Allies in looking with favour on the plan to be explained in this book. By this time they see that the Airship has radically transformed warfare, and they can see as plainly as the people of other nations that if they are in the future to prepare for war they must rebuild their Krupp and other plants for producing war material underground, and that none of their cities will be safe, that they may at any time be raided by air-squadrons, and that they as

well as other nations must, as soon as this war is over, commence to rebuild their cities underground, and to do this and also take care of their nation's debts will be a hopeless burden to stagger under, and will make Germany and its Allies as desirous of peace as all nations were before this German plague broke forth. If they are to continue war as a trade they see, as plainly as all other nations see at this time, that all great banks in cities like Berlin, London and Paris must be rebuilt underground. Their vaults must contain space for their valuable archives, and securities of every kind must be stored so far underground that there can be no danger of loss of any kind. Only the workaday space must be above ground. Art galleries and the great libraries must be rebuilt at least thirty feet underground, with the entrance only at the surface ; otherwise there will be a danger that a few bombs will destroy great collections of masterpieces and marvellous collections of books—and this may happen any day. The great

palaces of kings and of the rich must have their subterranean bedrooms and banqueting halls (and this is just no travesty of the facts); they must be reconstructed in this way, and the work must be started at once unless universal peace is established and maintained. In each great city vast cellars must be constructed, capable of housing thousands of people with the necessary comfort. These must be situated in each section of the city, so that the people can take cover at once in case of danger, and remain for hours. All roofs of buildings must in future be made stronger and by some means bomb-proof. All inhabitants of cities, children included, must have their gas-masks ready at all times from birth to old age ; for if war is to continue the gas-bomb will be perfected, and rained down upon the cities, to kill the thousands whom the explosive bombs cannot reach. The words "at the Front" will not be used in the future ; the back will be the front from now onward. All the people will be

in the firing line. All children in schools must have monthly drills, to prevent panic in case of invasion by air.

Consider then, if you can, what it will mean if all the nations of the earth, when this war ends, undertake immediate preparations for war under these conditions. Each nation will at once build great undersea submarines, great undersea cargo-steamers,—there must also be kept ready for action by each nation 5,000 to 10,000 submarine destroyers,—and also build great armies of Tanks, and construct at once from 25,000 to 30,000 aeroplanes with all modern improvements, and this method of warfare is so new that nearly all the machines built will be scrapped yearly, while fresh improvements are under way. Each nation must have the latest, as nothing else will be of any use. So, if war is to continue, what is left in the pockets of the German people will be taken from them to prepare for the new warfare of the future and the rebuilding of cities.

It will not be possible for aerodromes to be above-ground as they now are. Each nation will know the exact situation of those in adjoining countries, and the aerodromes will be the first objective of the hostile force. In some case no ultimatum or intimation will be given. The first intimation will be the arrival of a great air squadron, which will endeavour to destroy as many as possible of the aerodromes of the invaded territory. To meet this danger the aerodromes will have to be constructed underground ; or, at least, they will have to be low buildings with twenty to thirty feet of earth over the roof. Flimsy wooden structures like those now in existence will be useless for housing the war machines on which the nation will rely for protection. It will be no small task to build 30,000 to 50,000 aeroplanes, which will be up-to-date only for a year or two, and also to construct bomb-proof aerodromes to hold this number of machines.

As no other nation on earth to-day wishes

to take from another nation their rights ; as all other nations except Germany and its Allies are to-day fighting the world's battles on the lines of freedom ; as no other nations except the Central Powers need to be cured of the war microbe ; will not this plan, which gives the assurance of peace and a share in the greatest world prosperity ever known, force the people of the Central Powers to desire the blessings this plan brings ? Will they not prefer this escape from endless taxation, than longer continue the hopelessness of securing victories in the field of battle under the new conditions of warfare ? They see that the Allies in three years have matched their preparedness ; they by this time see that even if they annex all of Russia that this does not end the war, while the great force of the Allies is at their best, and without peace they will still continue to bleed to death financially, and that the conquest of Russia will not stop this bleeding in men and money ;

that they are in the west up against a solid wall and will remain there for years, their trade all gone and the seas withheld from them. This Russia will not compensate or free them from.

But The Great Plan brings them peace and escape from taxation, and allows them a chance to recuperate from the hell they have brought on themselves and the world.

And the hopelessness of a war of conquest must by this time be so impressed on the German people that the author believes, with this plan before them and the people of the Central Powers, that they would upset the Hohenzollern military power and put them back in hell and screw the lid down for all time. At least this plan might separate Austria and Turkey from Germany as German gold has dissolved the power of Russia by preaching the benefits of peace. If this desire for peace is as great in Austria and Turkey as it was in Russia, then the

lasting benefits conferred by The Great Plan would have greater power in these lands than German gold had in Russia, and help bring to the world the lasting peace we all hope for.

CHAPTER VI/ AN ALTERNATIVE PLAN OF FINANCE

CONSCRIPTION of wealth is only the back door to repudiation. Yet those who favour conscription are to a great extent right; they realize that something must be done to lift the terrific burden of war debts. Those who oppose it see the impracticable side of the question which is handled in the following chapter; but this chapter shows that there is a way whereby the desired results may be arrived at without conscripting wealth, and that nations like England and France can lift their war debts with a minimum of taxation. The idea, if utilized, would be as valuable to the financial world as the discovery of electricity has been to the industrial world.

It is necessary to arrive at some plan to

make the burdens resulting from this war as light as possible. The following Great Plan does this with no cost to any one ; but if this plan be not adopted, the supplementary plan here considered will accomplish the next best results, and avoid the conscription of wealth. In this chapter we shall call the new currency Premium Currency, while in the chapters on the Great Plan it is referred to as Bond Currency. The difference is this : if the currency issued by any nation is based on the world's bonds it is Bond Currency, but if the Great Plan be not adopted, and nations pay their war debts as this chapter suggests, then it must be Premium Currency. If, for example, the war loans issued by England and France total 4000 million pounds for each country, to pay these off in fifty years with 5 per cent. interest would require 7 per cent. per year on 4000 million pounds. But if England and France were to issue Premium Currency in sixty-six series, payable by drawing one series each year, with a premium of 10 or 15 per

cent. when drawn, it would only call for a little over $1\frac{1}{2}$ per cent. per annum, which would be a comparatively light burden, and would furnish these nations with ample new currency, which will be sorely needed during the reconstruction which will follow the war.

Premium Bonds would be of no help. Premium Currency lifts the non-liquid burdens and converts them into a large volume of new money, flowing through all the arteries of industrial life.

The market value of the obligations of any nation is the confidence in that nation's ability to meet them. By the above plan of Premium Currency there would be no doubt that either England or France could redeem this currency during a period of sixty-six years. As this currency would be legal tender for all debts, taxes, etc., it would be preferred to bank-notes. Premium Bonds must be sold to convert them into money, but Premium Currency *is* money until drawn.

The miser would prefer Premium Currency to gold, for gold does not increase in value, while his Premium Currency might be drawn at any time. As for the depositors of wealth in hidden places, under the hearth-stone and in the stocking, which is said to be the favourite bank of the French peasant, all these frugal people would prefer Premium Currency, and would release large holdings of gold, which probably amount to millions.

There must be a new kind of money ; the gold of the world will prove insufficient to pay yearly interest on war debts, and will no doubt be tightly locked up in the coffers of the nations. A greatly expanded credit system must be built up along new lines, and Premium Currency would do this ; in fact it would be preferred to any other money, and nations would be forced to pass laws to the effect that Premium Currency could not be insisted upon in the payment of debts.

The fear of great debts, the fear of the conscription of capital, reduces values. Re-

duced values affect all trades and restrict business. Restricted business reduces profits and incomes, and leaves the labouring man in want. The reduction of incomes deprives the nation of a great source of wealth—namely, income taxation. By Premium Currency these war debts could be liquidated in a safe and sane way, without resorting to the conscription of wealth. Premium Currency provides a new source of wealth, which in place of restricting finance and trade, would assist both. But, as before stated, Premium Currency is not to be compared with Bond Currency, which costs no nation a farthing for its redemption; but Bond Currency could not be issued save by a united world.

Any nation could conscript its war loans and pay them in this Premium Currency, and would greatly help all by so doing.

CHAPTER VII

THE FALLACY OF CONSCRIPTING CAPITAL

IN all the nations now at war, after peace is declared, hundreds of thousands of men who have returned from the fronts will be out of work ; and the women whose places have been taken by the returning men will be in the same case. There will be thousands of nerve-shattered and otherwise disabled men unable to perform the skilled work they were once accustomed to. These people will find thousands whom they left in moderate circumstances enriched by war profits, and as they compare their own condition with that of this class, and reflect that it was only by the sacrifices of the fighting men that their country was saved, they will demand that after-war conditions shall be ameli-

orated for them by conscripting capital. This has already been talked of in Germany and England, but if it were attempted it would in no way bring relief.

Suppose that 25 per cent. of all the bank funds and insurances funds were appropriated by the Government ; this would only wreck some of these companies, and leave the Banks and Insurance Companies impaired. Suppose that 25 per cent. of all the stock of all companies were conscripted ; the Government could not sell what it had taken, and no one would wish to buy, fearing that in a year or two there would be conscription of yet another 25 per cent., when part of what they had bought would be taken from them ; and the fear of a second and third call would so depress all values that this depreciation would much more than offset the value of the 25 per cent. taken. Such conscription would cause a great panic in all markets, making bonds and shares unsaleable ; therefore there would be no industrial development. Even in nations

which did not resort to this measure, the people would fear that it might in course of time become necessary ; and this fear would cause chaos, and a greater shrinkage in the value of bonds, stocks and real estate than this war has brought about, causing extreme dearth, and making the condition of the working classes even worse than before.

But the adoption of the hereinafter described plan of World Bonds will avert all this ; conscription of capital will not be needful, nor will it even be considered. Conscription of capital would take from all the desire to create ; it would result in the stagnation of all endeavour, and, by its failure to produce any permanent results for good, would have just the opposite effect to that desired. The Government machinery needed to accomplish such a task would be even more tremendous than the great Government departments of the War Office during this conflict.

A far better way for England would be,

after the war (if the Great Plan to be described be not adopted) to issue Premium Currency, and to pay off all war loans as mentioned in the preceding chapter. The objection will at once be raised that this is only inflation ; but let us review the question and consider if this is so. Before considering the pros and cons of the matter, the author will quote from Mr. Bonar Law's remarks to a deputation from the Trades' Union Congress Parliamentary Committee.

“I would venture to say this : that the political conditions which prevail in a country after the war will be such that the burden of this taxation is not likely to fall on the wage earners so long as there is wealth which can be made to pay it.

“I suppose you take this view—and I am inclined to take it myself—that we ought to aim at making this burden one which will rest practically on the wealth that has been created and is in existence at the time the war comes to an end, so that it would not be there as a handicap on the creation of new wealth after the war.

“How is that to be done? The question of the conscription of wealth is entirely a matter of expediency: whether it will pay best to have a general capital levy and reduce the National Debt as far as you can, or have it continued for fifty years as a constant burden of taxation. My own feeling is that it would be better, both for the wealthy classes and the country, to have this levy of capital.”

These remarks of Mr. Bonar Law's are, like all he says, clear and to the point; but there is a far better method than the conscription of capital, and for the sake of the argument we will assume that the total wealth of great Britain and Ireland is £20,000,000,000, and that the war has cost England £6,000,000,000, of which £4,000,000,000 are represented by Bonds or War Loans, and this, to date, is equal to 20 per cent. of the wealth of Great Britain and Ireland. Now all must admit that this is inflation of debts, and the reason why the English Government Bonds have a good market at home and in the United

States of America is the absolute confidence which prevails that these bonds are a sound investment, as good as any in the world. Therefore the people of the British Empire have perfect confidence in an admitted inflation of debt, being sure that in good time it will in some way be liquidated. Now how can this £4,000,000,000 be paid? As Mr. Bonar Law says, "The question of the conscription of wealth is a matter of expediency whether it will pay best to have a general capital levy and reduce the National Debt as far as you can, or have it continue for fifty years as a constant burden of taxation."

If a debt of £4,000,000,000 were to be paid off at once by the conscription of wealth the amount of the conscription would have to be 20 per cent. This would reduce all values by at least 15 per cent. or 20 per cent. Suppose it were to be paid by a Sinking Fund of 2 per cent. per annum, the interest charge being 5 per cent. per annum; then this would pay off the

debt in fifty years, and would cost, to start with, 7 per cent. per annum. But it could be accomplished only by a great burden of taxation, and it would result in the general stagnation of business affairs much as would the conscription of capital. As already stated, the world has the greatest confidence in any act of England's; why, therefore, could not Premium Currency be even better? This would have the same confidence behind it. The Government, then, could call in all War Loans, paying them in this Premium Currency. If this were done the burden borne by the English people would be a light one, giving England and the world more money for trade and reconstruction.

But the latter plan with this new currency seeking investment would increase the values of stocks, bonds and real estate. The benefits to the working classes would be tremendous; there would be a general industrial boom, and new life would reach all trades. And the conscription of wealth would not be thought of.

Take, for example, the following case : We will say that one of England's representative men is worth £200,000, and has used £40,000 in the purchases of War Bonds—that is, 25 per cent. of his wealth is invested in this way. Now suppose that 25 per cent. of all he has is conscripted. This is equivalent to taking from him the total of his War Bonds or Stocks—in fact, it would be much more convenient for him to give these all back to the Government than it would be for him to give up 25 per cent. of his holdings in Harrods Stores, for example, 25 per cent. of his holdings in the Guardian Fire Insurance Co., and Lloyds Bank plus 25 per cent. of his real estate. To give back his entire holding of Government Loans would cause no complications, while the latter method would—and he would be 25 per cent. poorer than he was ; but if he were forced to return the whole of the £40,000 of War Stock in his possession and accept the Premium Currency, he would possess the same wealth, and

would be able at once to invest this new money in any number of ways which would be of untold benefit to the nation ; further, he would know for certain that this new currency would be paid off within fifty years. The fear of the conscription of wealth hampers trade and destroys values. The fear of the lack of money or ample banking credit causes men to hesitate to undertake new business. The fear of the working class that the debts of a nation are more than the nation can carry makes them advocate the conscription of wealth. The fear of the burden of heavy taxation causes the stagnation of enterprise and forces money to leave the country and seek investment elsewhere. No Governmental action could in the long run be more destructive than the conscription of wealth.

How is the conscription of wealth to be arrived at? The wealth of a nation is represented by various kinds and tokens of value. The well-to-do farmer may be worth £6000 or £7000, which is repre-

sented by 100 acres of land, £500 in the bank, 400 tons of potatoes, 5 stacks of hay, 4 ploughs, 10 horses and 40 pigs. It is easy to take from him 25 per cent. of his bank deposit, but who shall decide which 25 acres he shall give to the Government, and who will select the $2\frac{1}{2}$ horses, the plough and the 10 pigs? The merchant has £6000 invested in merchandise : gloves, socks, shirts, handkerchiefs, etc., and £1000 in the bank. The bank deposit is easily handled ; he gives up £250 ; but who shall select the 25 per cent. of gloves, socks, shirts, etc., and what will the Government do with them when it gets them ? The fourth part of each man's wealth in the different tokens of value in which it would reach the Government would indeed be a Noah's Ark with a commercial annex. Is the Government going to feed the conscripted animals on the conscripted hay or the conscripted land until the proper market can be found, or sell them at once at a sacrifice ? The farmer having given up 25 per cent.

of his bank deposit, the market will be restricted. Will the Government start stores and sell the conscripted merchandise? If conscription of wealth were resorted to, 10 per cent. to 15 per cent. of the population would be employed in the making of inventories, and as many more would be employed as appraisers, and the appeals from the appraisers' decisions would necessitate thousands of courts to hear these cases.

CHAPTER VIII

INDEMNITIES

SOME striking figures are given in an article in the *Petit Parisien*, in which M. André Lefèvre, the deputy, denounces the "Peace without Indemnities" campaign. He declares in the first place that the reimbursement of war expenses is absolutely necessary to France, and, secondly, that it is indispensable to the peace of the world, because unless a heavy financial burden is imposed on Germany, the latter will attack again about 1930 or 1933.

"Without counting the damage done to the invaded regions, France has already incurred at least £3,400,000,000 of war expenses, which represents an annual charge of £200,000,000, to which must be added

£80,000,000 for pensions. As in a good average year France saves about £120,000,000, what would be her position if she had to pay £280,000,000 a year more than formerly?"

The above extract from the *Petit Parisien* shows the condition which will prevail in France if she is not able to collect indemnities from Germany. German writers are just as insistent that Germany will be financially crushed and bankrupt if she cannot collect indemnities from the other nations. What will be the condition of Belgium, with her factories dismantled, her cities in ruins, her great debts to England and the United States, and her wealth-creating industrial plants destroyed, the machinery having been removed to Germany? How can she undertake to repay those debts and rebuild her cities? It is well enough to say that she must live on Germany, and so she ought. But can she? Not by the bonds of a nation nearly bankrupt, not by German paper money can Belgium and France be

restored. Who would guarantee Germany's ability to meet the debt ?

Yet bleeding France and Belgium must be provided for by some definite plan. What injustice would otherwise be inflicted on the two nations which for the first year or more stood the shock of the war, while England was preparing her field forces, and the United States were finding their true place beside the Allies? What if Belgium and France were to discover, at the end of the conflict, that there was no way in which they could be reimbursed ?

By the scheme explained in these pages this can be done. The united action of the world provides the means by which Germany can meet this obligation—an obligation which in justice she must be forced to meet. By this plan Austria, if called upon to do so, can pay indemnities to Serbia and Roumania. By this plan every belligerent nation would receive indemnities. True, they would to some extent pay their own

indemnities, by their saving in annual expenses ; but it would be the united action of the world which would enable them to do this, and which would constitute the real salvation of France and Belgium.

CHAPTER IX

THE PRODIGAL WORLD

BEFORE stating the Great Plan in detail the author seeks to bring home to the mind of the reader the truth that it is impossible for the world to return to the paths of life it trod before the war. People and nations cannot cling to their old idols : these are shattered for all time, smashed into powder, and cannot by any means known to men be restored.

The Prodigal Son could return to his father's home because the home still existed, and his father was alive to welcome him. Had the home been situated in Pompeii, and had it, after his departure, been buried in the lava of Vesuvius, and his father with it, the prodigal could not have returned to that home, no matter how strong his desire to do so.

So it is to-day with the world ; it has wandered afar and it cannot return. The old home is destroyed ; of the very site on which it was built not a vestige remains. Man must therefore build anew, and his comfort is dependent upon the plan for the new building being one that will adapt itself to the material available. It must be a plan for a home that will give comfort to the dwellers. It were best not to read the following pages with old glasses, glasses through which one can see only if the light of old ideas falls on the pages. If the reader attempts it, the plan here submitted will seem foolish, Utopian, unworkable. It is not so at all ; it is framed entirely on the lines of progress ; it indicates the paths that men must follow to save mankind and the world. And in the degree to which it is accepted will the needed blessings follow.

The ambition of individual nations must not stand in the way. This plan does not hinder the expression of national ideals ; it

helps it rather, for peaceful conditions give time for individuality to find expression.

The fear that sovereign power may be lost must not stand in the way. Each unit of the United States of America holds sovereign sway within its boundaries. The fact that it is a unit in a great combination of States assists each State to maintain its autonomy. Its sovereign power would be greatly limited were it surrounded by hostile States to whose ideas and ideals it had to defer, through fear.

The theory that all issues of money must have a metallic reserve behind them must not stand in the way. If all the mines of the world were worked to their utmost limit, and silver were 5s. an ounce, these mines could not produce 1,000 million dollars per year (200 million pounds sterling), and that is not enough to restore and repair the world of to-day.

If all the world unites in this plan of creating a Sinking Fund for the new currency by anticipating the savings of the

next hundred years, it will possess the best currency possible.

The desire to attain peace by way of great military victories must not stand in the way. Peace is so valuable that it is worth having in any way in which it can be honourably secured. Great victories may in the near future be rendered impossible by the war methods now known to man.

It is not those who brought about the war who suffer most from it, but those who had nothing to do with it. The German Emperor still has all his sons, though thousands of his subjects have lost theirs.

Desire to punish the ruling class of Germany must not stand in the way of allowing all the fighting men to return home if this can be effected by means of this plan, which assumes the overthrow of that ruling class, and with it, freedom from all danger of future war. Punishment can wait; it will come in good time. It will come from the German

people, and you can sit back and look on while your son is safe at home. Also, to a great extent, you have this punishment in your own hands. You and your children to the third and fourth generation need never buy German goods, need never travel on German steamers, need never visit Germany, or employ or associate with a German. It is a free world, and the matter is to a great extent in your own hands. When the bars are down, and German salesmen start out again to secure orders and find none—find that they will not be allowed even to enter your office—then and not till then will they begin to understand the place they occupy in the world, and they will find it is not the desired place in the sun. Then they themselves will attend to the government of Germany, and hate the old Government with a hatred deeper than that you have for the authors of this war. Leave hatred and revenge to others, and occupy yourself with the task of rebuilding, and the enjoyment

of the years of tranquillity that this plan will bring to you and yours.

Do not run over the preceding pages in a hurry. Endeavour to see the benefits which this plan will bring to a suffering world. Think of the mothers and wives who will rejoice to see their loved ones back. Have you seen the suffering imposed on these brave men at the front? Or have you been able to remain at home, and perhaps to gain by extra business? If so, do not let the fear of losing this gain blind you to the need of the hour.

President Wilson said, in his message to the Senate on January 22, 1917—

“I do not mean to say that any American Government would throw any obstacle in the way of any terms of peace the Governments now at war might agree upon, or seek to upset them when made, whatever they might be. I only take it for granted that mere terms of peace between the belligerents will not satisfy even the belligerents themselves. Mere agreements may not make peace secure. It will be absolutely

necessary that a force be created as a guarantor of the permanency of the settlement so much greater than the force of any nation now engaged or any alliance hitherto formed or projected that no nation, no probable combination of nations, could face or withstand it. If the peace presently to be made is to endure, it must be a peace made secure by the organized major force of mankind."

This plan carries out all that the President declares to be necessary, and also pays all the debts of all nations incurred on account of this war. It unites the pocket-books of mankind.

In reply to the Pope's peace proposal, the Secretary of State, Robert Lansing, says—

"We cannot take the word of the present rulers of Germany as a guaranty of anything that is to endure, unless explicitly supported by such conclusive evidence of the will and purpose of the German people themselves as the other peoples of the world would be justified in accepting.

"Without such guaranties treaties of

settlement, agreements for disarmament, covenants to set up arbitration in the place of force, territorial adjustments, reconstitutions of small nations, if made with the German Government, no man, no nation could now depend on.

“We must await some new evidence of the purposes of the great peoples of the Central Powers.

“God grant it may be given soon, and in a way to restore the confidence of all peoples everywhere in the faith of nations and the possibility of a covenanted peace.”

This plan, if made known to the peoples of the Central Powers, would no doubt be so acceptable that they for its sake would establish Governments which the world could recognize, in which the world could have faith, and with which the world could treat. And if a plan like this can restore peace to the world, that peace must be as acceptable as a peace secured in any other way.

CHAPTER X

THE GREAT PLAN

THE author believes that the plan expounded in the following pages is the most complete yet formulated for the attainment of universal peace in a united and confederated world. It unites all nations of the earth in one financial union. It abolishes the financial chaos which the war has produced ; it restores to the people's pockets the money which they have contributed for the purpose of carrying on military operations, and to the so-called neutral nations it returns the money they have expended on mobilization. All the people who are left after these years of war deserve to live in an era of comparative peace, and through years of prosperity, free from the great burdens of debt which will exist unless this plan is put into

operation. This plan will give the wives and families of the soldiers years of abundance to repay them for their suffering and anxiety. It will give the money needed to bring up their children in something better than the poverty which will be their lot if the old world is left to struggle along until coming generations are able to wipe out the world debt which has been created by the war. The author calls upon the peoples of the world to urge their Governments to adopt this plan, so that its benefits may be available as reparation for the great losses which they have sustained. It is the so-called common people that forms the multitude of each army. It is their millions that have died. It is the millions left alive that have the power to adopt this plan, which will enable all food to be sold at more reasonable prices, since light taxation enables the seller to forego extravagant profits. By the adoption of this plan, therefore, Labour will not have to give up the greater part of its earnings that it may pay exorbitant prices for

the benefit of those who have to bear the burden of taxation. To those who have willingly contributed their money for Government bonds it will return the sums lent, and allow them to use this money in industrial enterprises, and for the building up of their nation. It will enable nations to return to the pre-war scale of inheritance taxes. Men will not work all their days to build up fortunes of which the nation and not their children will take the bulk. The tax burden of this war is hardly realized now, but within a year or two of the conclusion of the war nothing else will be thought of, nothing else talked of, but what the next year's taxes will be, and what new method will be attempted which may take more from the people, in order to carry on the burden of debt under which the nations will be staggering. There is no escape from this terrific burden unless a universal plan like this be adopted; otherwise the nations will be forced in some way to deprive the rich of a great part of their wealth. Salt, sugar, tobacco,

coffee, paper, etc., will be Government monopolies, and all the profits arising from these sources will go to pay this incubus of debt, or else it will remain unpaid, and a number of debtor nations will repudiate their Government bonds. Think of the loss to the French people if after the war Russia and Turkey cannot pay them their holdings of Russian and Turkish bonds. There are also large holdings of Russian bonds in the United States, accepted by the manufacturers in part payment for their goods. By the adoption of the writer's plan, the repudiation of national debts would be averted, as all units of the confederated world would be able and anxious to meet all their obligations.

In each chapter of this book the author has endeavoured to show to the reader that this Great Plan constitutes the only means whereby the conditions which confront the world can be transformed from such as are fraught with great peril to such as will bring untold blessings.

The author's predictions of the chaos and darkness in which the world will be submerged after the war are not derived from any occult or astrological source, but are based on mathematical certainties. If we knew of a case where a helpless cripple was left £500, and spent £1 per day in living expenses, we should not need to resort to astrology in order to know that after the lapse of 500 days the cripple would either die of starvation or become the ward of charity. The prediction would be a mathematical certainty. If we saw a man holding a candle lighted at both ends, we should not need to resort to astrology in order to know that he would soon have no candle, and that he would also burn his fingers. This also would be a mathematical certainty.

There is a limit to wealth ; there is a limit to man power ; and there is a limit to agriculture without the necessary fertilization of the soil.

A year ago we were confident that none of the Allies would conclude a separate

peace. A year ago we relied on the great reserve of Russia with its 160 millions of people. To-day these hopes are broken reeds. Two years ago the English people had large holdings of American bonds and shares. These have now been sold or used by the English Government, as security for loans made in the United States. The next step, if war continues, must be the conscription of wealth. This is a mathematical certainty.

When this is resorted to, there will come a panic, and the Governments will be forced to close the Stock Exchanges.

With the increase of prices made necessary by increased taxation will come great unrest among the working classes. It will seem to them as though one will have to carry a basketful of money in order to buy a basketful of food. They will be compelled to demand higher and yet higher wages, which will further augment prices and increase unrest. These conditions will prevail both in the warring and in the neutral nations.

In the spring of 1918 will come tremendous battles in the air, fraught with untold dangers, destroying more property than armies could.

All that could be done has been done. The ingenuity of man has been taxed to the utmost and wonders have been accomplished. Credit has been strained ; debts and obligations of such magnitude have been assumed by all the nations that pay-day will be a nightmare.

There is yet one great source of wealth untapped which has never been mentioned before, and which the Great Plan uncovers. If the world unites to secure peace and to limit armies and navies, this tremendous saving could be capitalized.

It is perfectly feasible to use this world saving as a Sinking Fund, and if this be done there is available at once as much wealth as all the gold and silver mines in the world could produce in 250 years, and those on earth to-day would derive the benefit, as prosperity would at once ensue.

The Great Plan is the fire extinguisher that will extinguish the conflagration which will presently break out in every country, by reason of the friction of want on the flint of despair. Read it carefully. You may at first think it is not feasible ; if so, lay it aside for a couple of months, then re-read it, and compare it with the conditions which then confront the world. If you are not then convinced that it is the only solution of these problems, lay it aside for another two months, and again re-read it, and compare the predictions with the then existing conditions. This plan may be made possible either by bringing the Central Powers to accept it for the blessings to be derived from it, or by forcing them to accept it if the Allies are victorious, when it must be embodied in the terms of peace.

It might be, by the time the Allies were convinced of the feasibility of this plan, and the Central Powers had accepted it, that the cost of the war to date would be more

than the Sinking Fund from savings would liquidate in 100 years ; but this difficulty would be obviated by the plan proposed in the chapter on this subject—by a small annual contribution to the Sinking Fund, from each nation, assessed upon its population ; or each nation entitled to benefit under this bond issue could receive, in place of the total cost of the war, 75 or 80 per cent. of that cost, or whatever amount might be safely paid off by the Sinking Fund, which in any event would be 250 million pounds, or one billion two hundred and fifty million dollars, a sum amply sufficient to repair the damages to the world's finances.

In the different chapters of this book will be found a certain number of repetitions in respect of subjects of vital importance which must be considered from every angle. One blow of the hammer will not drive the nail home. Repeated blows produce the desired result.

CHAPTER XI

THE INTERNATIONAL CONGRESS

THE following is the proposed plan for an International Congress and the work that will be assigned to it. It can be put in operation if the Allies are in favour of it, and if a responsible Government with which the Allies can treat, and in which they have confidence, exists in Germany. The first step is as follows—

Each nation appoints an additional member of the Cabinet, to be called the Secretary of Peace ; these Secretaries of Peace to form the first International Congress ; this Congress to meet as soon as possible at one of the capitals of the world, then to work out the plan here explained for 100 years' peace,

and for a world issue of bonds to purchase the same.

As a basis for the issue of these bonds, we will assume that the cost of this war to the Allies and the Central Powers, plus the cost of mobilization in Switzerland, Spain, Holland, Norway, Sweden and Denmark, etc., has been, up to date, 25,000 million pounds sterling, or 125,000 million dollars. It may be more, or less, but these figures will serve for purposes of illustration in the paragraphs to follow.

To arrive at the total cost to each nation, the basis of calculation shall be the total collected by each nation in war taxation plus the total of War Loans floated since August 1, 1914. If, for example, the national debt of England before the war was 641 millions and its debt now is 3641 millions, then the cost of the war to England has been 3000 million pounds sterling plus all the amounts raised by war taxation. If, for example, 2000 million pounds sterling has been collected by excess taxation,

then England has spent on this war a total of 5000 million pounds sterling (25,000 million dollars), and her share in the world issue of bonds will be 5000 million pounds. If, for example, Holland and Switzerland have each expended 500 million dollars on mobilizing their armies and protecting their frontiers, then 500 million dollars will be the share of each in the bond issue. If Norway, Sweden, Denmark and Spain have each expended 40 million pounds (200 million dollars), this shall be the share of each in the bond issue.

Assume that the total of all these sums is, as before stated, 25,000 million pounds (125,000 million dollars); the International Congress authorizes an issue of 100-year Sinking Fund World Bonds for this amount. These bonds carry 1 per cent. interest, or increase in value 1 per cent. each year for fifteen years.

When the bonds are authorized, and the amount each nation is entitled to is calculated by the above method, the Treasurer of the International Congress hands to the

appointed financial representative of each country certificates to the amount of his nation's participation. These certificates are in denominations of 5 million pounds, 10 million pounds and 100 million pounds. These certificates will be exchanged for the bonds when the latter are printed, signed, and ready to deliver.

LIQUIDATION OF INTERNATIONAL DEBTS

We will assume that all the financial representatives of the nations when the distribution of certificates is made are seated at the same table. As soon as the distribution is made, all the nations to which England has made advances (Italy, Roumania, Serbia, Montenegro, etc.) hand the English representative enough of their share of these certificates to liquidate at once their nation's debt to England. If the United States has advanced to England 200 million pounds or 1000 million dollars, then the English representative hands to the representative of the United States certificates to

this amount. France, Italy and Belgium do the same, each for their respective amounts, and thus all foreign advances made by the United States are at once paid. Austria, Turkey and Bulgaria in the same way repay any advances made to them by Germany. All debts between nations are at once cleared off at this meeting—a wonderful settlement of debts, and a payment of debts that might otherwise never be made in some cases, or that could be paid only after long years of struggle on the part of the weaker nations.

THE SINKING FUND

Provision for an ample Sinking Fund to redeem these bonds is made in the following manner—

Each nation agrees that during the next five years their standing armies shall be reduced one-fifth each year, until there shall be in each nation a standing army of only 1000 men for each million of population, with a reserve force of 3000 men for each million of population. This standing army

and reserve force all to be used only for police duty in their respective countries or in their colonies. The only event in which they could be used outside their own country would be the occasion of a summons of the International Congress, and to this point we shall return later. No nation is to have an army of over 100,000 men with a reserve force of 300,000.

Each nation also agrees that its navy shall be reduced each year for five years until its naval strength shall be one-tenth of what it was on August 1, 1914. All nations, parties to this agreement, agree that after five years the saving that accrues to them from the reduction of their army and navy shall be paid into the International Treasury every six months, to create a Sinking Fund to pay off these bonds. To arrive at what this amount should be for each nation, the army and navy budget for the three years preceding August 1, 1914, shall be totalled and divided by 3. The difference between this average figure and the amount of the army and navy

budget as it will be five years after the agreement is made, will be the amount saved by each nation by the limitation of armaments, and this will be the amount of each nation's contribution to the Sinking Fund. The total annual saving will be from 1200 million to 1700 million dollars, which will pay off all the bonds in less than one hundred years.

Now let us see how this fund is to be paid by each nation into the International Treasury, so that exchange is not affected in any way. Suppose, for example, that under this new condition of affairs, the saving in the United States will be 250 million dollars a year. This amount of 250 million dollars (arrived at as above explained) is deposited by the United States (at the rate of one-twelfth of the whole each month) in the Federal Reserve Bank or in any bank or banks designated. At the end of the year we will suppose that the *pro rata* part of the issue of bonds that has to be retired and paid by the Sinking Fund entitles the United States to 258 million dollars as their share. The

International Congress need therefore transfer only 8 million dollars to the United States in order to pay off its share of the bonds ; the 250 million dollars is already there. Or we will suppose that the United States' share is 225 million dollars ; this will leave 25 million dollars to be transferred to other countries during the year.

HOW THESE BONDS ARE TO BE USED BY EACH NATION

In the example given above we assumed that England receives 5000 million pounds' worth of these bonds. Let us now give an example of how England uses her share of the issue—for every other nation will use its share in the same way. For convenience of illustration we will suppose that all the nations have paid their debts to England, and that England has paid her debt to the United States, and that after all these transactions England has in hand 5400 million pounds of these World Bonds. This amount of bonds is deposited in the Bank

of England, and the Bank issues an equal amount of currency in notes of £5, £10, £100, £1000, £5000, etc. This currency is handed to the English Government, which employs it in the following way: As the Government has raised, say, 3000 million pounds, by war loans, to carry on this war, it passes a law that one-fifth of these war loans is arbitrarily called and payable in ninety days, and each ninety days thereafter one-fifth becomes payable. Thus in five periods of ninety days all subscriptions to England's war loans are repaid. This is contrary to the terms on which the issues were made, as they are not yet due for redemption; the first are due in 1921. But if a nation has the power to conscript wealth—and no one doubts that it has—in order to carry on war, it must also have the power to call in and redeem its bonds before they are due, in order to establish prosperity and peace, and to save the world from being again plunged into war. If the English Government did not wish to compel the

holders of War Loan stock to accept this Bond Currency (the best currency in the world) for their stock, it could at all events at once redeem all the Government stock held by those willing to sell, and the remaining sum of Bond Currency could in the meantime be loaned to railroads, manufactures and industrial enterprises. The interest earned in this way would be higher than the interest payable on unredeemed Government stock—probably as much as 1 per cent. higher.

The premium of 1 per cent. on the bonds withdrawn is to be used in the following way: As stated before, the Bank of England issues 5400 million pounds sterling—say 27,000 million dollars—in Bond Currency. This currency in England, and in all other nations, is issued in series of £20,000, or \$100,000, called Series A1, 2, 3, 4, etc. After the first five years, each nation, on receiving from the International Treasury its share of the bonds retired by the Sinking Fund, receives also 1 per cent. on all bonds

retired for the years that they have run, up to the fifteenth year. For example: the United States receives 250 million dollars as its share of the Sinking Fund at the end of the sixth year from the date of the World Agreement. (There is no Sinking Fund for the first five years.) The United States at once draws by lot an equal amount of the currency issued on the bond issue. With the money received for bonds retired, the currency drawn by lot is retired. The 1 per cent. received as a premium on the bonds is paid as a premium on the currency withdrawn. So in all nations the currency withdrawn at the end of the sixth year receives face value plus 6 per cent.; at the end of the seventh year, face value plus 7 per cent.; at the end of the eighth year, face value plus 8 per cent., and so on to the end of the fifteenth year. After that all currency continues to be drawn by lot, and is paid at face value plus 15 per cent.

It is impossible to estimate the benefits that will accrue to International trade from

this plan. Some of them will be dealt with in a later chapter. It will be seen by the reader that all warships built by each nation since August 1914, and all warships in course of construction, are paid for by this plan. So likewise are all implements of war of every kind made or bought by each nation since that date. They become the property of the federated world and are disposed of as the International Congress directs. If they are sold, or if their plates are used in the building of merchant vessels, the proceeds go to the Sinking Fund, to be used later for the withdrawal of bonds.

CHAPTER XII

THE OUTLINE OF THE PEACE AGREEMENT

THIS covenant and agreement is made between all nations of earth for the purpose of establishing and maintaining one hundred years of peace, binding on each and every nation, on the following terms—

1. The International Congress now formed shall remain the same for five years, that is to say, composed of one representative of each nation. This representative shall be a member of the Cabinet of his nation and shall be called the Secretary of Peace. After five years, when the amount of each nation's contribution to the Sinking Fund is arrived at (by the method hereinafter mentioned) then the representation of each nation shall be one

member plus one additional member for each £10,000,000 or \$50,000,000 contributed annually to the Sinking Fund. Thus if any nation's contribution is £50,000,000 or \$250,000,000, such nation shall have one member plus five additional members.

2. This Congress has no powers whatsoever beyond those conferred on it for the purposes for which it was established, that is to say, the maintenance of peace, the authorization of a World Bond issue, and the collection and distribution of the Sinking Fund hereinafter referred to. Each nation retains sovereign power within its own boundaries, and over its own colonies or dependencies. Each nation is a State in the confederated world, but its rights as a separate State are not to be interfered with in any way by this Congress.

3. As soon as this Congress meets it is to ascertain the cost of the war to all belligerent nations and all neutral nations which have been compelled to mobilize for their own protection during this conflict.

4. The total of all loans raised, and all debts contracted and yet still unpaid, and all special war taxation collected since August 1, 1914, by each nation, shall be considered the total cost of the war to each nation. The amount of the bond issue shall be the sum of these totals for all nations, plus any additional amount required to indemnify the armament and munition makers of all nations for capital sunk in new machinery and extensions since August 1, 1914.

5. This issue of bonds shall be for one hundred years, and the bonds shall increase in value 1 per cent. annually for the first fifteen years only ; this premium of 1 per cent. per annum to be paid when the bonds are drawn. After the expiration of a period of fifteen years all bonds drawn for payment shall be paid at par plus 15 per cent.

6. As soon as this issue is authorized the Congress shall hand to the appointed financial agent of each nation temporary certificates representing the amount of bonds to which the nation is entitled.

7. When these certificates are delivered, each nation shall at once liquidate all debts to its creditor nations by transferring the necessary amount of these temporary certificates. The debts thus liquidated shall be only those contracted for the purpose of carrying on the war, and not international debts existing prior to August 1, 1914.

8. To create a Sinking Fund for the purpose of redeeming these bonds, each nation undertakes to reduce its regular standing army by one-fifth each year for five years, and thereafter to maintain a standing army of not more than 1000 men for each 1,000,000 of population, and a reserve force of not more than 3000 men for each 1,000,000 of population. No nation shall have a standing army and reserve of over 400,000 men. All nations agree that the standing army and reserve force shall be used only for police duty within their respective boundaries or in their colonies. Nevertheless the International Congress, if it should at any time require armed forces to maintain this

agreement, can call on any or all of the nations for 50 per cent. of their standing army and reserves.

9. All nations agree that their navies shall be reduced by one-fifth each year, until the naval strength of each nation is one-tenth of the naval strength prior to August 1, 1914. All warships built since August 1, 1914, and all warships under construction, become the property of the confederated world, and shall be disposed of as the International Congress directs, as they have been paid for by this bond issue. Each nation agrees that its reduced navy shall be used only in case of rebellion in its own seaports or to quell insurrection in its own colonies. Nevertheless, the International Congress, should it at any time require naval force to maintain this agreement, shall have at its disposal the entire naval force of all nations.

10. A Sinking Fund to redeem this world issue of bonds shall be created in the following way. First: the proceeds of the sale

of any warships or war material (such ships and material being the property of the confederated world and having been paid for by the bond issue) by the International Congress shall be paid into the International Treasury to form part of the Sinking Fund. Second : after five years each nation shall pay in to the International Treasury in monthly or semi-annual payments the savings accruing to the nation from the reduction of its Army and Naval budgets. The amount of this reduction shall be calculated in the following manner : each nation shall total its Army and Naval budgets for the three years preceding August 1, 1914, and this total shall be divided by 3. The amount thus arrived at shall be considered the annual cost to each nation of its army and navy before 1914. Five years after the adoption of this agreement, each nation shall furnish to the International Congress a statement of the amount of its reduced Army and Naval budgets. The difference between the

average amount of the three years preceding August 1, 1914, and the amount for the sixth year after the adoption of this agreement shall be considered the saving by each nation, and the amount of this saving shall be each nation's contribution to the Sinking Fund for that year, and for every year until the World Bond issue is withdrawn. This fund shall be deposited in any bank or banks of each nation designated by the International Congress.

11. At the end of the sixth year after the adoption of this agreement the International Congress shall calculate the *pro rata* proportion of the Sinking Fund to be allotted to each nation, according to its bond holdings, and shall call in and pay off the number of bonds which the Sinking Fund will redeem plus 1 per cent. interest per annum for the years the bonds have run.

12. Each nation shall issue currency to the amount of its holding of bonds, in

any denominations found convenient. This currency shall be in series. With this currency each nation shall pay off all national war loans issued, and all debts contracted to carry on the war. The amount of currency remaining in the hands of each Government after the payment of all war loans and debts shall be retained for the payment of pensions and for the care of the injured. This remainder represents the amount of special war taxation collected during the war, which has been included in the amount of the bond issue to each nation, and which the Governments are under no obligation to repay.

13. Each Government agrees that it will use all monies transferred to it by the International Congress at the end of the sixth year and every year thereafter for the retirement of an equal amount of the currency issued by that Government. The currency thus retired by drawing shall carry the premium of 1 per cent. per annum

received by the nation on the bonds redeemed by its share of the Sinking Fund.

14. To protect this agreement more fully, each nation of a population of 5,000,000 or more binds itself in the sum of £100,000,000 to maintain this agreement and shall file a Government bond therefor with the International Congress; and each nation of less than 5,000,000 population shall bind itself in a sum of £50,000,000 faithfully to maintain this agreement, and shall file a Government bond therefor.

15. Further to sanction this agreement, all nations agree that on notification by the International Congress of any violation or attempted violation of any of the terms of the agreement, they will within twenty-four hours after such notification break off all communication by rail, sea, mail cable and wireless with the nation or nations so violating or attempting to violate the agreement, and will not re-establish communication with such nation or nations

until notified by the International Congress that they may do so. The International Congress shall assess the amount of damages to be paid for any violation or attempted violation of this agreement, and shall make any arrangements necessary for the collection of this payment from the nation or nations culpable.

(It is for this emergency that each Government has filed with the International Congress the bond above referred to. If the breaking off of all communications be not sufficient, then the International Congress can call for armed force from all other nations as explained in Clauses 8 and 9, to impose respect of the agreement entered into.)

16. It is agreed by all nations that Brussels shall be the Capital of the Confederated World, and the archives of the International Congress shall be kept there, but meetings of the Congress may be called in any capital city of any nation as the Congress itself shall deem convenient.

17. It is agreed that the International Congress shall adopt an International flag, which the ships of all nations shall fly with their own flag, when three miles from shore. This gives the Control of the Seas to the United Confederated World.

CHAPTER XIII

THE SINKING FUND

THE world pays over £200,000,000 each year for fire insurance, and more than this for life insurance. These premiums come out of the pockets of the people! The Sinking Fund to redeem the proposed bonds is to be paid by the savings that accrue under this plan, and it may well be called "fire insurance," for it frees the world from the danger of inflammable bombs; it is "accident insurance," inasmuch as it frees all those that go down to the sea in ships from the danger of being torpedoed by submarines; it is "life insurance" against the danger that war will ever again take the great toll it is now taking of life.

Yet all this will cost not one farthing to

the nations now at war. A plan that does this must indeed be a great plan. One of the bond issues made by China has a tax on salt for its Sinking Fund ; issues of Mexican and other bonds are redeemed by the receipts of the custom-houses. But the Sinking Fund here proposed is to be raised only from the world's savings. No taxes will be levied to create it. And from these savings will come the greatest boon mankind can know—a world at peace.

If this war ends soon, the annual savings of the nations will be ample for the Sinking Fund. If the war continues much longer they will be insufficient. To present all sides of the case, therefore, let us suppose that the war lasts two years longer, and the annual saving effected by the limitation of armaments falls short of the sum required to redeem the bonds within 100 years by \$600,000,000 or £120,000,000. Then each nation could agree to pay 2s. 6d. or 62 cents per head of population to make up the

deficiency. A stamp tax or any indirect taxation would produce this amount in a way that would scarcely be felt.

Is it not worth it? What other object in life is worth universal peace and universal prosperity—prosperity so great that it would penetrate to every corner of the earth? Who could be unwilling to pay even 1s. or 4s. a year to be assured of peace universal—a peace insured by the strongest combination ever known, the Confederated World, the United States of the World? Could any sum be too great for the most worthy purpose conceivable?

This plan reveals a storehouse of wealth in this Sinking Fund. It provides an ample sufficiency of new money to pay each nation's war expenses of every kind, for each and every warship, every war implement left in the hands of each nation, which has been made or bought since August 1, 1914, belongs to the confederated world, which will scrap or sell it and use the proceeds or material in the peaceful development of

the earth. Indeed the sword would then become the ploughshare; yet this vast wealth, which from its use would bring untold blessings, would restore the ruined cities, give relief to the helpless, rebuild the lost merchant ships, and evoke an unprecedented industrial development throughout the world, is unavailable, withheld by impassable barriers, if the world continues to hold in its hand the drawn sword of preparedness.

With starvation in sight in many nations, and great want in all, with millions of injured and incapacitated to be cared for, with cities to be rebuilt, with millions to house, clothe and feed, with taxes so great that they will stagger people and nations for generations to come, is it conceivable that at least a majority of each nation shall not demand this relief, the only relief in sight? And if the majority do demand it they will have it, and those that stand in their way, such as the military party of the Central Empires, will be swept aside by the onrush

of the needy, determined to have their share in this uncovered storehouse of wealth ; determined that they and theirs shall benefit by the blessings that will ensue from the adoption of this plan.

CHAPTER XIV

WOULD THE CENTRAL POWERS ACCEPT THE PLAN?

GERMANY has now eight-tenths of the world arrayed against her. Germany and her allies must understand that their present Government will not be dealt with by the Entente Powers. They must realize what the after-effect of the war will be—namely, years of want, and possible bankruptcy, which they themselves admit can be avoided only by the conscription of capital. And to the people of a nation which has so long occupied such a leading place in the world of trade and finance this must be a crushing blow to their pride and ambition. It will require several generations for the German people to convince the world that they belong to the human race. When

their armies invaded France, they were confident of victory in a few weeks, and that they would once more collect a huge indemnity ; but now, as the war drags on year after year, and their avaricious dreams have vanished into thin air, they must wonder by what magic wand can their docks again be filled with shipping and the products of their factories find a world market. This plan might be their first ray of hope. By this plan, if the cost of the war to Germany to date has been, say, 6000 million pounds, they would receive bonds to the value of 6000 million pounds. They would have their advances to Bulgaria and Turkey repaid, whereas as things are, Turkey and Bulgaria will probably be bankrupt when the war ends. If the Allies can force Germany to repay the damage done to Belgium and Northern France, then Germany will have bonds in hand sufficient to make this payment at once. Suppose, for example, that the indemnity would amount to 1500 million

pounds ; there would still be left, in the hands of Germany, bonds to the value of 4500 million pounds on which to issue currency.

Germany, when she had hopes of winning the war, never claimed more than 2000 million pounds as an indemnity from the Allies. Therefore she will have, in the very best money possible, 2500 million pounds more than was ever expected had victory been hers. But if the war should end now, and if Germany should for ever cease to be a military power, it would be better, if no other way could be found, that this should include an additional 1500 million pounds bond issue, and that all the nations should contribute to the cost of restoring Belgium and France. With the savings provided by this plan, it would take only four or five years more for the world to pay off this extra bond issue. Consider the question of these indemnities. Supposing that within a year or two more the Allies win this war, and can force Germany

to pay 1500 million pounds in indemnities to Belgium and France. How can the money be paid? Germany has not the gold to pay it, and the depreciated paper of a nation on the edge of bankruptcy would be of no value for the work of restoration which would require to be put in hand immediately. The Allies, it is true, might take possession of certain German custom-houses, and, during the years to come, collect the 1500 million pounds. But this would not provide the money which would be needed immediately, and other nations would hesitate to advance it, as their own needs will be so tremendous at the end of the war that all their resources will be required for purposes of domestic reconstruction. By the plan here proposed, on the other hand, Belgium and France would receive the 1500 million pounds in bonds from Germany, and on these bonds would issue their own currency to pay their own indemnity; money that would be accepted by any nation able to sell material

to Belgium and France, just as gold is accepted, so that the work of reconstruction could be started at once.

Now is the only time since the world began that such a plan could be carried out—now, with eight-tenths of the world arrayed against Germany and her allies—a great unity of action is possible, and were Germany and her allies all convinced that their financial salvation lies in this plan, would not all these countries accept it, thereby assuring themselves of a hundred years of peace and prosperity?

Words are not adequate to express the trying situation of Germans now living in other lands. Formerly they were the leading factors in every community, sought after as directors of industrial and banking companies, and occupying responsible places in municipal administrations. Now they are regarded with aversion and distrust, and the American custom of naming banks and insurance companies "The German-American" is now a thing of the past;

indeed nearly all such names have been discarded. The punishment of the crimes of Germany has fallen heavily and often unjustly on the above class—and they would, if it were possible, exert great pressure on their fellow-countrymen in the Fatherland to clean the slate and make a fresh start upon more noble paths of national existence. With this plan in force the devilish secret service of the German Government would not be required. Millions have been expended in foreign countries by this department. You may sink a ship without traces, but the records of their secret service cannot be expunged ; they stand on the pages of history, for all to read for all time.

If Germany and Austria decide to accept this plan, would they attempt, later on, to withdraw from the world confederation, and once more to proceed to conquer and dominate the world ? This contingency is impossible for the following reasons : There will be, in circulation in Germany, Austria, Turkey, and Bulgaria, thousands of millions

of this bond currency. With it they will have taken up their war loans and paid their debts, and will have a large fund left to take care of the injured and incapacitated. To break away from the confederation would at once make the currency in the hands of their people and in the banks worthless, and would result in the bankruptcy of all.

Here is the great advantage of uniting the pocket-books of the world. It would be such a brake on the wheels of the war machine that the latter would be powerless to move.

The Central Powers will find in this plan something that they cannot copy or duplicate for their own use. They may copy and duplicate tanks, aeroplanes, or any other war machine, but this plan is the mightiest possible weapon for peace, for it is only workable by united action, and the foundation of peace is unity. Therefore there is no good reason to suppose that the Central Powers would refuse to look

with favour on a plan which would give them more than they could ever expect to get by continuing the struggle, and also bring about an era of prosperity which they could by no other means achieve.

CHAPTER XV

THE NAVAL CLAUSE OF THE WORLD AGREEMENT

THE author is fully aware that among the conditions necessary to make this plan operative the greatest objection will be made to that which calls for the reduction of the navies of all nations to one-tenth of their size before August 1914. Especially will this objection come from England, who for years has taken such pride in her navy, and the United States, who have added so largely to their naval power in the last few years, and above all during this last year.

Let us review this clause in the World Agreement. In the first place, there is no need to consider this condition unless this war is won, and Germany and Austria either defeated or willing to join in the proposed

pact for one hundred years' peace. If this is done, then the purpose for which the navies were created is attained, and the need for them no longer exists. In the amount of the bonds allotted to each nation is included the total cost of all warships built since August 1, 1914. They are not paid for by individual nations, but by the united world, and you cannot eat your cake and have it. How much more good this money would do if used to repay the debts created to build navies! How much more good it would do if applied to the rebuilding of the world!

But there are other vital considerations. What are navies to be used for, and what will they be needed for, if the world unites to maintain peace? Warships will grow obsolete. Only England, Holland, the United States, France and Japan have colonies, and under the agreement the only event in which these countries could use their navies would be insurrection or rebellion in their colonies. One-tenth of the naval power of these

nations prior to August 1914 will certainly be sufficient for this purpose. The only other case in which they could be used under this agreement would be when warships were needed by the united nations in order to enforce the terms of the agreement in case any nation attempted to violate them; and even then they would be used only if the breaking off of all relations and communications by land, sea, cable and wireless were not in itself sufficient. In such an event all the navies of all the other nations would be under the orders of the International Congress, and the combined though reduced navies of the world would assuredly be sufficient for this purpose, and there would be only a very remote chance of their ever being used. One great factor that enters into the consideration of this point is that within the next few years, as mentioned in another chapter, the perfection of airships will make navies of little use. A great flotilla of airships could and would destroy almost any navy long before it reached the shores of the

land to be attacked. In this war the belligerent countries have in no case yet been able to land on a well-protected coast, and they will be less able when the airship comes into full use. Land guns have a wider range than the guns of ships, and it is impossible for ships to live within the range of land guns.

The shadow of Germany's desire for world domination, and her naval programme, are to a great extent to blame for the rapid growth of the English and French navies. In the face of Germany's attempt within the last generation to take her place as a great naval power, England, France and the United States have been compelled to swell the numbers of their warships, but with Germany willing to take and keep her place in a congress of nations the need for large navies would disappear. The South American republics seem to be satisfied with their present boundaries; neither the United States nor Canada is looking for conquest. Germany alone has been the reason for the

recent greater navies of the world, and by the adoption of this plan the need for great navies will have passed away.

Once a fixed plan for an International Congress has been decided upon among the nations there will be no need for fresh naval construction. There are just two nations which, if a fence were built around them and the export of local products forbidden, would not be practically self-supporting. All other nations could, by a rearrangement of their resources, exist on and by the fruits of their own labour and soil.

These two exceptions are England and her exact counterpart, Japan. Existence, for them, is contingent wholly on their having unrestricted use of the seven seas, since they are, in their respective continents, the greatest maritime and commercial Powers. There is no doubt that England has not the slightest desire for the acquisition of further territory, and Japan is perfectly satisfied with her present possessions, notwithstanding the oft-reiterated statement of

politicians that she will ere long make war upon the United States for the Philippine Islands. Russia's international problems will occupy her to the exclusion of all dreams of extension. We need not imagine that the Balkan States are likely to nourish ambitions of world power. Austria may be counted out ; France is apparently content with her empire in Africa ; and Norway and Sweden have always pursued the peaceful paths of domestic development.

Germany has no longer any colonies. The attitude of the United States may be judged from her renunciation of Cuba and her refusal to enter Mexico, as well as her expressed willingness to give independence to the Philippine Islands as soon as they can safely be left to self-government.

So the outlook is that we have a world of nations either contented with territorial distribution as it exists, or, on the other hand, prevented by natural weakness from realizing any ambitions which they may cherish.

Hence if the nations enter into such an agreement as here outlined, giving the International Congress full authority to police the world, there would seem to be no reason why the present boundaries of the nations should not remain as they are for another hundred years, and in that case there would be not the slightest need for further naval construction.

If Germany is to be a power without colonies, she need fortify only her harbours ; a navy would be superfluous. So far the German navy has not proved itself of much value as a fighting arm, except in the torpedoing of hospital ships and merchant vessels—though of course it may yet give battle and destroy half the English navy—or go to the bottom of the North Sea. But if England enters into an agreement covenanting that she will not for one hundred years use her navy aggressively against Germany, then Germany has nothing to fear.

Think what a saving in taxes and national

debts would follow ! During the last thirteen years Germany has spent over 100 million pounds, or 500 million dollars, on the fleet that now skulks in her harbours ; she has nothing whatever to show for the outlay.

There are other great benefits which will accrue from the adoption of this plan. The most important of all the shipyards of the world will be needed for years to reconstruct the lost merchant fleets ; these shipyards will need all the plates that can be spared for this purpose. To continue to build warships when this war is over, and to prepare for some future world war, with this great need of merchant vessels not fully provided for, would be to delay the return of prosperity for just so much longer. When peace comes there will be the tremendous task of moving back to their own homes millions of men and nurses—to the United States, Canada, New Zealand, Australia, India, Japan, China and the islands of the sea. This is a task which will have to be performed at once. It will tax shipping to

the utmost ; and if during this critical period crops were to fail or partially fail in any land, the work of returning these men and women would have to be postponed or partially postponed, for the moving of the crops would have to be the first consideration. If only this plan be adopted, then the moment peace is in sight all the shipyards and all their workers can at once drop any warships under construction and concentrate all their energy on the needed vessels. And as all the money to date expended on these warships by this plan is to be returned, these will be the property of the confederated world, and need not be finished, but the cash provided for them will be used for this more important work.

CHAPTER XVI

ARMIES AND NAVIES

THE expense of maintaining all the armies and navies of the world prior to August 1, 1914, was approximately 400 million pounds or 2000 million dollars. The adoption of this plan would probably save 300 million pounds or 1500 million dollars annually. There would also accrue great savings in each country in respect of the secret service departments. But the greatest saving would be the return of the men who are not producing, the men of the armies and navies, to the industrial world.

The total strength of the

German army during

peace is

870,000 men.

By this plan it would be

about

70,000 men.

The total strength of the
French army during
peace is 783,000 men.

By this plan it would be
about 40,000 men.

The total strength of the
Russian army during
peace is 1,500,000 men.

By this plan it would be
about 100,000 men.

There would be returned from the above nations to the fields of industry 1,940,000 men. But the reduced armies and navies of the world would restore about 4,000,000 men to commerce, manufactory and agriculture. This represents about half the man-power lost in this conflict. The above figures do not include the men employed in the manufactures of warships, ammunition factories, powder and explosive factories, clothing establishments making uniforms, or factories manufacturing cloth, shoes, and all the paraphernalia necessary to supply these 4,000,000 men. These industries

would probably release 2,000,000 more, replacing altogether three-fourths of the lost man-power of the world. If universal peace is not established, additional men must be taken from the fields of industry to construct the great flotillas of airships, the thousands of tanks, submarines, etc., which each nation will build. The man-power of the world will be employed in the production of death-dealing implements, while famine and want stalk the earth, owing to the shortage of men in the ordinary fields of labour. It is not a pleasant picture to contemplate, but it will be an ever-present reality, yielding its daily increase of disastrous results.

CHAPTER XVII

IS INFLATION AN OBJECTION ?

ONE of the first objections which will occur to the reader is that this plan involves inflation of currency. But owing to the conditions which will prevail after this war, we should only be using the same means to bring about a return of prosperity as have been used to carry on the war. Inflation is increased use. What has this war produced? Inflation of the armies, inflation of the navies, inflation of the death-rate, inflation of loss, inflation of injury, inflation of the costs of war—this war having thus far cost more than all wars for the last 150 or 200 years, having caused more deaths than those caused by all wars during the same period. We perceive an inflation of the number of nations at war ; and in any phase that we consider there is inflation. The men used, the power

used, the shells used, the ships used are all that can be produced by each nation. It has been a war of limits, in credit, food, and men. Accordingly this plan to restore prosperity must also go to the very limits of the available resources of all the nations, in order to bring back normal conditions to the world and avert bankruptcy. No separate number of small plans will suffice. Only united action and unity of purpose will attain the results desired. It would be as foolish to attempt to doctor a horse with the dosage of a drug needed for a man as to attempt to restore normal conditions by small plans worked out by separate nations. Practically all the world is now at war, and afterwards the whole world must work on one plan to restore normal conditions. There is no actual inflation, for the money to be used in this plan is only the total of what has been used in the paying of taxes and the purchase of Government Bonds during the last three and a half years. But 80 per cent. of this money expended is a total loss, and it must also be

borne in mind that higher prices were paid than the things were worth while during normal times, and that the things produced are not such as would be needed in a world wherein universal peace prevailed. Thousands of millions of the money used has gone in powder and chemicals for shells, and in cannon that are destroyed or worn out. The iron, the steel, the brass and the copper—much of these also is lost to the world.

This plan restores these lost values by the purchase of universal peace, and peace, if secured, is worth any price that must be paid for it. During this war all has been inflation. The methods proposed under this Plan are the methods which have prevailed during the war, and no other method will suffice.

If the Governments of each nation fear the effects of the release of this large volume of money, they can, in place of forcing the Government Bonds to be redeemed, pay those

who desire to surrender them at any time before maturity, and the said Governments can loan the Bond Currency held to redeem War Loans, etc., when it will be employed in the purchase of foodstuffs and in rehabilitating the railroads, which will be in great need of financial accommodation when the war ends. By the above plan there would be no forced liquidation of war bonds and loans. And only those that wished to employ all their money otherwise would surrender their bonds. In this way the plan would involve no real inflation.

CHAPTER XVIII

THE CARE OF THE INJURED

IN no connection will the benefit of this World Bond issue and the currency based upon it be more apparent than in respect of the large fund which will remain in the hands of each nation for the benefit of the noble men and women who are chained by lifelong disablement; men and women doomed to suffer to the end of life that we might be free. Of the men who have won the future peace of the world, and the happiness of future generations, in place of slavery to military domination and preparedness for war, hundreds of thousands are more or less crippled and incapacitated. This is a problem which will stagger the nations. These brave people need all the

aid that can be given to them, and it must be given in no grudging spirit.

These heroes must not be insulted by the attempt to see how little can be done for them. The question must be, How much? Yet if a fund be not provided in the only way the author can conceive of as sufficient, that is, by this World Bond issue, the taxes which will have to be levied each year for the benefit of these men and women will be greater than any country will be able to endure, so that it will be equally impossible to give adequate comfort to these people, or to lift the burden from the taxpayers. But owing to this bond issue there will be millions in the treasury of each nation, which can be used for this purpose, and the burden need not for years to come be felt by the taxpayer. These men are entitled to rest, and only by this plan can they get it. In most of the nations, no doubt, about two-thirds of the injured will be able to find work in their old positions, or as small merchants, school teachers, etc., but a large

proportion of these two-thirds will have their income reduced, owing to their inability to reach their former standard as workers, and under this reduced income they must struggle to the end. Manufactories and industrial institutions must be built in which those who are unable to perform their old work can be taught trades which they can carry on at home, and great organizations must be created to market the products of these people. Thousands with homes partly paid for will lose them, their reduced incomes being insufficient to allow them to live as they did before the war. These people must be taken care of, and it must be done in such a way that they will feel that it is the loving task of a grateful people to administer to their wants, not that they are dependent upon a grudging *nation* which is only half attempting to do its duty to those to whom it owes its life. The institutions to be built for this purpose must not be barracks in which helpless people will be herded together, but homes with cheerful surroundings,

worthy of the heroes who will live in them. While the war continues, with the excitement of the daily news, and while the guns are booming in France, it is very easy to feel conscious of the great debt of gratitude we owe to the soldiers. But when the war is over, and the excitement has died away, and the care of these people becomes a pressing debt, felt more and more acutely as the years pass by, it will be a more difficult task to refrain from under-estimating the obligation and attempting to shirk it ; more difficult still when the conditions which imposed it are matters of history and are among the pages of the past. Then may come a time when these men will think that it would have been far better to have died on the field of the battle than to live only to find themselves and their dependents the wards of an ungrateful people.

This plan will solve these after-war conditions, and the blessings to be conferred on these people alone makes it worth adopting. The author hopes that this plan will receive

the hearty support of the injured and incapacitated who will need help in the future ; the men who have won this war will in no small degree possess the power to compel their Governments to accept it. They have helped to save the world on the battlefields, and it is theirs to see that the great and material relief this plan offers them shall be available.

CHAPTER XIX

THE PLAN AND THE WORLD'S TRADE AND FINANCE

WHEN the war ends, be it sooner or later, the first question which will confront all those who handle trade outside their own lands will be the credit of the peoples. Can they pay for the goods they demand? Are they solvent? Who can answer? And how soon can any answer be given? What will be the standing of each nation? What will be the rate of exchange? Will the banks, the manufacturers and the export houses deal with and discount the paper of foreign buyers as they did before the war?

Under another plan than that proposed in the pages of this book the question of debtors and debtor nations must be a pro-

tracted problem, one that months will not suffice to solve. The bankers will be in great doubt. If goods are sold and exchange cannot be negotiated, trade will flow in very restricted channels for a very long period, and all commerce will be greatly hampered. It is a serious problem, and it cannot be solved until it is stated in terms of actuality, if the future is to be as dark as it appears now. But the problem is a vital one ; it affects the banks, the manufacturers, and the exporters.

This plan offers an immediate solution. By its adoption all doubts as to solvency will be dispelled—credit, indeed, will be far better than it was before the war. If, for example, Serbia wishes to buy in the markets of the world, she can and will pay in the Serbian issue of Bond Currency. All will know what stands behind the currency, and the orders will be filled. Thus great prosperity will result at once.

Without this plan there would be years of violent fluctuation of international ex-

changes. English houses would hesitate to fill orders from one-third of the countries now their allies ; countries to which England has furnished almost unlimited money and credits during the war. But by this plan, with all the costs of the war in Serbia's hands, there could be no question of credit not being extended to that country. Without this plan how could a nation like Serbia pay even her present debt to England, or have any money left with which to undertake the great work of reconstruction which must be undertaken the moment peace is secured ?

This plan will at once improve international trade, so that the latter will be 200 to 300 per cent. better than it would otherwise be for a generation or more. Demand will be far greater than it was before the war, as needs will be far greater. All stocks will be down to the lowest point known for generations. What a chance for trade—the best ever known ! The adoption of the plan would enable those now left on

earth to behold prosperity returning by leaps and bounds ; but if it is not adopted they may never live to see the return of prosperity, but will live in a practically bankrupt world.

CHAPTER XX

ARBITRATION

THIS plan does not in any way contemplate the attribution of powers of arbitration to the International Congress in the event of differences between nations. Such differences must be taken to the Hague or to some other established Tribunal. It will be a duty of the Congress to see that the decrees of this Tribunal are made effective, but the judicial and the executive authority must not be the same. If extraneous questions are taken up by the Congress, months will elapse before an understanding can be reached. The world cannot fiddle while Rome is burning. Every hour and every day will count—count in lives lost, count in the extra cost of maintaining an armed

force until it is seen if the plan is to be adopted. The cost of time spent on other questions would endanger the Sinking Fund, delay the return of the soldiers to their hearths, and delay production all the world over. The cost is too great to admit of any subject being discussed but the one for which the Congress is assembled.

The Hague Tribunal has acted as arbitrator in a large number of cases. It can continue to do so in the future. When the resort to arms is once abandoned no idea will be entertained of any procedure other than arbitration, any more than when differences arise between States of the Union or the colonies of England. Nations will soon adapt themselves to the new conditions; to the next generation arbitration will seem the most natural way to settle disputed claims. The recorded horrors of this war, and the blessed escape from them provided by this plan, will remain in memory to show the futility of any other than peaceful settlement. And when pros-

perity is world-wide there will be fewer grounds of dispute. It is want and distress that disturb peace; plenty brings contentment.

CHAPTER XXI

THE SOVEREIGN POWERS OF NATIONS

THE plan we are considering will in no way interfere with the sovereign power of nations. Each nation will be free to regulate its internal concerns, to live under whatever form of government it chooses, and to adopt free trade or a tariff wall, high or low.

In the United States to-day each State is a separate unit of the whole. There are as many different systems of law as there are States. The laws vary respecting marriage, divorce, liquor control, railroads, land transfer, and almost every human institution that comes within the scope of the law. The national laws rule only in inter-State matters. State rights are never overridden by the Federal Government.

So with the British colonies. Local customs are not repressed, but an attempt is made in every case to bring the laws into conformity with them. This has been the corner-stone of Britain's success as a colonizing power. And the British have been the most successful colonists in the world.

The colonies of the United States have each their own laws, voted by the people of the colonies, or territories, as they are called. The laws of Porto Rico differ as widely from those of the Philippines as East does from West. In neither case are they laws adapted to New York State; they are laws adapted to the people on whom they are enforced, made by and for the people themselves.

In the World Confederacy each nation will retain sovereign power, and nothing in the plan under consideration will modify or reduce this power.

CHAPTER XXII

THE STATE CONTROL OF ARMAMENT WORKS

BUSINESS is business, and if a world peace is ever secured, all means whereby armament-makers may profit by war must be abolished. It is futile to assume that there are not many people whose love of money warps their conscience. The desire to ensure that warlike preparations shall continue leads them to control the Press, as they have done in Germany, and thereby to keep the war flame alive. Votes are secured by money and by interests in armament works. It is a crime that any member of the legislature of any nation should profit by leading his nation into war, but it is said that the German Emperor has large interests in the Krupp plant. Many newspapers are

controlled by Krupp money. Thus the thoughts of the people are artfully directed towards the idea of war, until public opinion decides that it would be a lasting dishonour to retreat from the position assumed by a contentious nation.

During war abnormal prices are paid ; only a few manufacturers supply the needed articles, and they can charge what they like. By these swollen profits tremendous power is acquired.

No explosive of any kind should be sold to any one without a Government permit. The same should hold good regarding the purchase or exportation of guns, revolvers, swords and all lethal weapons. No private company should be allowed to manufacture anything in the nature of armaments or part of armaments.

In the working out of this plan it may be the part of wisdom to reimburse all armament-makers for their expenditure upon extensions and new machinery erected for this war, and to increase the bond issue to

include this cost, even if it means a few additional hundreds of millions sterling. It will be money well spent. The people who have poured out their money in the erection of such plants, and have thereby been of great assistance to their nations, should in justice be repaid their outlay. If this were not done, the immense power which their combined capital could wield might be a stumbling-block in the way of the realization of this plan.

CHAPTER XXIII

THE INTERNATIONAL FLAG

To ensure unity of action by all nations in maritime affairs, it will be provided, as shown in the Bond Agreement, that one of the first acts of the Congress shall be to adopt an International flag. This flag will be flown by all ships more than three miles from the coast, together with the flag of their respective nations. The sea will be under the jurisdiction of the world, and any such act as sinking a ship will be a matter for the International Congress to handle at once, which it will do by ordering all relations with the offending country to be broken off. If this measure is not sufficient it has the power to call on all the nations to use their navies. This Government of the Seven Seas by the International

Congress very largely obviates the need of navies of any kind. If Germany sank any ship it would be a vessel flying the International flag, not a Swedish, Norwegian or United States vessel, and behind the action of the Congress would stand a united world. There would be no neutral nations left to raise objections. This also involves that freedom of the seas which the German Government now insists upon, and in the largest and broadest possible sense. It would be far better that the flag of the United World should be flown on the high seas, rather than a number of national flags. If the torpedo of any one nation should sink a ship flying this flag, there is a sufficient bond filed with the Congress which would cover all damages, and would provide the means to compel payment. There would be no neutrals to sit back and look on while the demand was being made.

CHAPTER XXIV

THE NON-CONTRIBUTING NATIONS

IN the United World, as proposed under this plan, a majority of the smaller nations—Mexico, Cuba, Peru, perhaps Chili, and a dozen others—will have little or no saving to show in their annual budgets. The measures taken in accordance with this plan will not directly affect them. Yet all these nations are now suffering from a lack of the means of transport to carry their crops, from lack of suitable markets for their exchange, from the high rates of marine insurance, and the consequent rise in prices of all their exports and imports, and from the increased cost of all necessities.

With the adoption of this plan new life would at once flow into these countries, and stimulating all their industries, and bringing

them the greatest prosperity they have ever known. All their products would find a market. The cessation of naval construction, the employment of the material of partly built warships for new merchant ships, and the speeding up of shipbuilding everywhere, would give the world the new tonnage needed at least two or three years sooner than it could otherwise be brought into existence. The importance of this act to all peoples and nations cannot be over-estimated.

The balm of Universal Peace is worth its price, and who can doubt that these smaller nations would be willing to pay their share for this boundless prosperity, and the prospect of secure tranquillity?

A simple plan to make these nations partakers with the rest in the Great Plan, and contributors to the Sinking Fund, can easily be devised. If on every letter or post-card sent to the contributing nations from any of these nations which do not directly contribute, a one cent or halfpenny stamp were

affixed, in addition to the postage rate, this indirect tax might be the nation's annual contribution to the Sinking Fund, and thus all would pay a small tax for the great boon conferred on them. And the people of these nations, like the people of all other nations, would quickly recoup themselves for all the war has cost them ; merchandise of any kind needed for any purpose in any part of the world would reach its market years sooner than it otherwise could ; the increase of values would be so great that this indirect taxation would be no more than fair. All nations are suffering now, and those that do not directly contribute to the Sinking Fund, yet share in all the benefits it brings, should contribute in some other way. There can be little doubt of their willingness to do so.

CHAPTER XXV

CONCLUSION

THIS war is at once the most holy and the most unholy war which the world has ever seen ; holy, because the Allies are fighting for the rights of men and nations ; unholy, because the Germans are fighting for the domination of the world. The justice of the Allies' cause has been a cloud by day and a pillar of fire by night to lead them on. And it will continue to lead them on, though the nights be dark and the way not clear, until they reach the Promised Land.

New men and new ideas come to the front in every great crisis, and in times like these, when old methods no longer give the desired results, new methods must be considered by thinking people whenever they are proposed. They are often short cuts

to desired results ; much shorter than the old roads. But some one must show them to the traveller, or they may be overlooked.

This is a new plan, a new path, but is it not worth considering, since by the old paths neither party has as yet arrived at the desired result ? During the time of waiting lives are being sacrificed by the thousand day after day. The price of neglecting this plan is blood and bankruptcy—the blood of the young and brave, and the bankruptcy of nations and individuals.

President Wilson said in his speech to Congress, on December 4—

“Let there be no misunderstanding. Our present and immediate task is to win the war, and nothing shall turn us aside from it. Every power and resource we possess will continue to be devoted to that purpose. Those who desire to bring about peace before that purpose is achieved, I counsel to carry their advice elsewhere.

“The peace we make must deliver the once fair lands and happy people of Belgium and Northern France from the Prussian

conquest and the Prussian menace, but it must also deliver the peoples of Austria-Hungary, the peoples of the Balkans, and the peoples of Turkey, alike in Europe and in Asia, from the impudent and alien domination of the Prussian military and commercial autocracy. We intend no wrong against the German Empire, no interference with her internal affairs. The people of Germany are being told by the men whom they now permit to deceive them and to act as their masters, that they are fighting for the very life and existence of their Empire a war of desperate self-defence against deliberate aggression. Nothing could be more grossly or wantonly false, and we must seek by the utmost openness and candour as to our real aims to convince them of its falseness. We are, in fact, fighting for their emancipation from fear, along with our own—from the fear, as well as from the fact, of unjust attacks by neighbours or rivals or schemers after world empire. No one is threatening the existence or the independence or the peaceful enterprise of the German Empire.”

This plan does all the President requires—by the pen instead of the sword. It leaves

the world free from the necessity of accepting German Kultur. Real culture can and does flow over national boundaries as naturally as a river, and the world accepts it willingly. This is a far better way than the Emperor's.

The German Note says, in answer to the Pope's late attempt to secure peace—

“The free interplay of forces in the world, in peaceable mutual contest, would lead to the highest perfecting of the noblest human possessions.”

Whether the desire for peace expressed in this Note be sincere or not, it is a straw showing which way the wind blows. This plan would fulfil the desire expressed.

The Austrian Note is a straw blowing in the same direction—

“We greet the leading idea of your Holiness that the future arrangement of the world must be based on the elimination of armed force, on the moral force of right, and on the rule of international justice and legality.”

If Austria really desires the elimination of armed force this plan fulfils the desire to perfection. And by accepting this plan she can secure the reimbursement of all the war has cost her, and the promise of measureless prosperity.

There is one way by which the advent of universal peace may be hastened, and that is by the realization of its benefits in the mind of man. This plan would produce a change such as the world has never before seen. Each nation would be a unit in the brotherhood of nations, free to develop its individual conceptions ; and everywhere advances would be made in all peaceful pursuits, and especially in the arts. The harmony of the universe would flow through the fingers and voices of the musicians ; the brush would transfer to canvas glimpses of nature not yet realized. The soul of man would surmount natural limitations, and spiritual visions not now seen would find expression in higher and nobler life. The colossal amount of money now wasted on

preparations for war and on war itself would make poverty a thing of the past. The world would look to principle for its inspiration, while national honour would be guarded by right motives instead of by Dreadnoughts. No more should we drain the exchequer to provide pensions ; the only pensions would be awarded to a nation's artists, musicians, and authors, men who had exalted the ideals of the people.

Do not look only for shortcomings in this plan, but accept the benefits and deliverance which it offers. This plan promises salvation for all by the uncovering of a great storehouse of wealth hitherto unthought of, a wealth so vast that it will not only lift the war debt of all nations, but open the flood-gates of prosperity. This plan may not be orthodox, but nothing orthodox will avail in such a crisis. Do you wish to remain under the oppression of exorbitant taxation, or to accept the freedom which only this novel and radical plan can bring? Shall men on a sinking ship refuse the salvation

offered by approaching life-boats merely because they are of a new and radical type? Or shall the raging flames be allowed to consume your home simply because the only means of relief offered is a fire-engine different in construction from any you have seen before?

By this plan we sell the War Principle out of the world, in exchange for untold prosperity and peace, just as a drunkard might sell his appetite for drink for a great inheritance.

If this plan is accepted each life given in this war will be crowned as with a halo, and the glare of the battlefield will be but the harbinger of the rising sun of righteousness for all the world, and the passing of the German Emperor and his mad horde to oblivion. God hasten the day!

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